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# U.S. Stinger Missiles Enhance Effectiveness of Afghan Rebels

By Bernard Gwertzman
*New York Times Service*

WASHINGTON — U.S. officials say that Afghan guerrillas have begun using newly provided Stinger anti-aircraft missiles and causing significant problems for Soviet and Afghan aircraft.

More planes and helicopters have been shot down than ever before, they said Friday, and the presence of the portable American-made missiles has forced Soviet and Afghan pilots to fly higher, reducing their effectiveness against the guerrillas.

The officials said the Soviet and Afghan armed forces had lost 1,000 planes and helicopters in seven years of war. It was not possible, however, to get a precise breakdown for this year. They also said that according to U.S. intelligence estimates, there had been 35,000 Soviet casualties, including about 12,000 killed.

Overall, the officials said, the military situation for the rebels was better than at any other time. This may explain, they said, the considerable speculation, encouraged recently by some Soviet officials, that Moscow will press for a negotiated settlement.

One development that added to the sense that something might be in the wind was the appearance in Moscow last week of Major General Najibullah, the Afghan leader, as well as the rest of the Afghan leadership, for talks with Mikhail S. Gorbachev, the Soviet leader.

The Afghans met Friday with Mr. Gorbachev and declared that the further withdrawal of Soviet troops from Afghanistan remained contingent on the reduction of outside aid to the Afghan guerrillas.

Earlier this year, Mr. Gorbachev called Afghanistan "a bleeding wound" and said the Soviet Union would like to withdraw its troops, estimated to number 120,000, "in the nearest future."

Negotiations for a political settlement based on United Nations mediation have been going on for more than four years, with many of the issues resolved. But the major problem — the timetable for a Soviet withdrawal — remains unresolved, officials said.

The negotiations are called "proximity talks" because a UN official, Undersecretary-General Diego Cordovez, meets separately in Geneva with Pakistani and Afghan officials.

A new round of the talks is scheduled to open in Geneva on Feb. 11, with the timetable to be the chief item for discussion. Moscow has offered to pull out its troops over a four-year period, but the Pakistanis, with the backing of Washington, have insisted it be done in about four months.

The parties have already agreed that the flow of arms to the rebels

See MISSILES, Page 2

**LATE NEWS**

## EC Farm Talks Make Progress

BRUSSELS (Reuters) — European Community agriculture ministers made progress Sunday in talks on plans to curb the 12-nation organization's surplus dairy and beef production, diplomats and EC officials said.

EC officials said the ministers were prepared to accept a plan to cut milk output by 6 percent next year through payments to farmers to stop dairying and through cuts in production quotas.

However, French and Irish officials denied they had agreed to the 6-percent figure.

**INSIDE TODAY**

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■ A U.S. radio monitor touched off erroneous reports of the death of Kim Il Sung. Page 3.
■ A.M. Rosenthal, former executive editor of The New York Times, reflects on the lessons of 40 years in journalism. Page 5.

BUSINESS/FINANCE

■ The board of Fermenta AB offered to resign over an audit questioning the Swedish firm's financial results. Page 13.
■ Talks between the European Community and United States over Spanish grain sales ended without agreement. Page 13.

SPORTS

■ The New York Yacht Club's hopeful, America II, was eliminated from the America's Cup challenge. Page 19.

Zahid Hussain/Reuters

The police used tear gas Sunday to stop ethnic rioting in Karachi.

# Ethnic Groups Clash in Karachi; At Least 40 Die

By Kamran Khan
*Washington Post Service*

KARACHI, Pakistan — More than 40 persons were killed and 200 injured Sunday as ethnic Pathans unleashed a violent backlash to a government drive against a major drug and gun-running center, according to government and hospital reports.

Most of the victims were Urdu-speaking refugees known as Muhajirs who settled in Karachi after leaving India when independence was achieved in 1947 or after. The two communities had a violent clash in November that also left more than 40 dead, again mostly Muhajirs.

As hundreds of troops and police continued a sweep through the Bara market area, dominated by Pathans and Afghan refugees, the Pathans, who come from the North-West Frontier Province near the Afghan border, began a sweep of their own through the Orangi Town district of Karachi several miles away.

The bloodletting followed a warning Saturday night by two of their leaders that the 1.5 million Pathans of Karachi would resort to direct action if the authorities did not stop their drive against the major Pathan business center in Karachi.

Hundreds of Pakistani Army troops and policemen began their sweep through the Bara bazaar Friday, removing about 20,000 refugees as a prelude to forcing them back to camps close to the Afghan border.

The bazaar over the past several years had become a center for Pakistan's vast heroin trade, a flash point for communal violence and a vivid reminder deep inside the country of the impact on Pakistan of the war in Afghanistan.

Police officials have reported seizing more than 300 kilograms (660 pounds) of heroin, 100 kilograms of opium, 2,100 kilograms of hashish and 32 pistols and rifles, including at least one Kalashnikov automatic rifle. Searchers said they had uncovered 11 underground cellars and tunnels used to store drugs and illegal arms.

There are relatively few clashes among the country's ethnic groups because most of them are gathered in homogeneous provinces: Punjabis in Punjab, Pathans in the North-West Frontier Province, Baluchis in Baluchistan and Sindhis in Sind.

Politically this has often led to agitation in one province against the others or unrest in the three numerically smaller provinces against the populous and powerful Punjab. But outright ethnic clashes have been minimal.

Karachi is an exception to this homogeneity. Karachi's population of more than seven million is divided between Pathans, Muhajirs, native Sindhis and a smaller number of Punjabis, making it one of the few Pakistani population centers with an ethnic mix.

According to witnesses in Orangi Town, a lower-class area of huts and rutted streets, groups of Pathans armed with automatic rifles and pistols swept through the Mu-

See RIOTS, Page 2

# Contradictions Arise Over Poindexter and North

By James R. Dickenson and Tom Kenworthy
*Washington Post Service*

WASHINGTON — New questions have emerged in congressional testimony and at the State Department about the veracity of Vice Admiral John M. Poindexter, the former national security adviser, and his deputy, Lieutenant Colonel Oliver L. North.

The Republican chairman of the Senate intelligence committee, meanwhile, has sharply criticized the White House for failing to cooperate with the investigation of the Iranian arms affair.

William J. Casey, the director of the Central Intelligence Agency, testified Friday before the House Foreign Affairs Committee that Colonel North had assured him in October that no money from the arms sales had been diverted to the Nicaraguan rebels, two committee members said.

State Department officials said Friday that the U.S. ambassador to Lebanon, John H. Kelly, had said he was told by Admiral Poindexter that Secretary of State George P. Shultz had been informed of his discussions with the White House on hostage negotiations.

Mr. Shultz called Mr. Kelly home from Lebanon last week to explain why he had bypassed the State Department in the discussions, which were conducted through CIA channels.

Mr. Shultz testified last week that he was shocked when he learned Mr. Kelly had had such discussions without his knowledge.

Reuters-UPI

David F. Durenberger

The chairman of the Senate Intelligence Committee, David F. Durenberger, Republican of Minnesota, criticized the White House after Lieutenant Colonel Robert L. Earl, a marine, refused to testify before the committee Friday.

Colonel Earl, who was Colonel North's deputy, invoked his rights under the Sixth Amendment of the constitution, saying he did not have proper legal representation and had not had time to prepare.

Admiral Poindexter and Colonel North earlier invoked the Fifth Amendment to avoid testifying before the Senate committee.

Mr. Durenberger noted that Mr. Reagan had praised the two men as "national heroes," but he said that in his view they were "deserting their country" by not helping make the full story public.

The Senate minority leader, Robert C. Byrd, Democrat of West Virginia, also criticized the Reagan White House.

"In my 34 years in the Senate," he said, "I have never seen such an arbitrary, arrogant, partisan White House than I have seen the last six years."

He said the new Democratic-controlled Congress would move quickly to investigate the affair.

Representatives Lawrence J. Smith of Florida and Peter H. Kostmayer of Pennsylvania, both Democrats, added new information on Mr. Casey's testimony before the House Foreign Affairs Committee last week.

Both men said that Mr. Casey told the committee that after he received assurances from Colonel North that no money from the Iranian arms sales had been diverted to anyone, he asked Colonel North if the CIA was involved in any diversion of funds and was told that it was not.

Mr. Kostmayer said that the discussion between Mr. Casey and Colonel North took place after Mr. Casey had learned from a former legal client, Roy Furmark, that money from the arms sales might have been diverted.

Howard Teicher, the senior director of the National Security Council for political-military affairs, also refused to testify before the Senate panel, asking for additional time to find private counsel.

See IRAN, Page 2

# In Taiwan, Murmurings For Independence Rise

By Nicholas D. Kristof
*New York Times Service*

TAIPEI — Dr. Hong Chi-chang, a psychiatrist and opposition leader, tried to explain why he was dancing around a foreigner's questions.

"Jail is waiting for anyone who talks about independence for Taiwan," he said nervously. "But the government's policy is unsatisfactory. We say we are the government of all China. So we cannot be in the United Nations, and I am a doctor and I cannot participate in the World Health Organization."

More and more young people in Taiwan are publicly hinting that perhaps Taipei should try to end its isolation by abandoning its claim on mainland China and declaring its independence.

The murmurings for independence are likely to get a lift from the legislative elections held Dec. 6, in which opposition candidates did unexpectedly well. Mr. Hong, for example, won far more votes than any other candidate for the National Assembly.

Although it is a crime to endorse official separation from the mainland, people are finding ways to express themselves.

"We can't say 'independence' here, because we will be put in jail," said Daisy Hsin-I Pen, the editor of an opposition magazine. "So we say self-determination. That means the people in Taiwan have the right to choose their future."

The possibility of independence for Taiwan has been brought into the public eye in large part by the formation in late September of an opposition party, the Democratic Progressive Party. Its platform contained with an ambiguous call for "self-determination" and for re-

See TAIWAN, Page 2

Ira Schwarz/The Associated Press

HEADY BEAR — President Ronald Reagan covers his face with a teddy bear while leaving the Oval Office of the White House. The bear was given to him by Vinny Testaverde, the winner of college football's Heisman Trophy.

# U.S. Experts Call Military Nuclear Plants Outdated

By Matthew L. Wald
*New York Times Service*

NEW YORK — The U.S. system for producing nuclear material for bombs and submarines is antiquated, ailing and sloppy, posing dangers to thousands of workers in the plants and to some of the people who live near them, according to many experts familiar with the situation.

The Department of Energy, which owns and regulates the military nuclear operations, acknowledges that many of its plants are outdated and that changing standards have rendered some of them "dirtier" than newer facilities.

But it disagrees with many critics, insisting that its work poses no health risk to workers or the public.

Nevertheless, some parts of the production system are now so old that decisions about how to extend their usefulness or replace them are becoming imminent.

Such concerns were underlined last week as the Energy Department announced a temporary shutdown to upgrade safety features at an aging plutonium production reactor at the Hanford nuclear reservation in the state of Washington.

A major improvement effort has already begun at the facility that provides most of the raw material for that reactor, the Fernald Feed Materials Center, 18 miles (30 kilometers) northwest of Cincinnati.

The problems at Fernald, Hanford and elsewhere — from worn-out equipment to excess exposure of workers to radiation, to leaks of toxic chemicals, uranium and plutonium — have become more serious as the nation's buildup of nuclear weapons has put more pressure on production facilities.

The efforts toward a defense against missiles and the lack of an arms control agreement with the Soviet Union will add to the pressure, experts say.

Government audits and interviews with environmental officials, union leaders and people who run the plants depict an entire industry frozen in time, operating year after year with the equipment of the 1950s and 1960s, and following a set of rules that are determined from within and largely based on production imperatives of the Cold War and World War II.

Although scattered problems have attracted intermittent notice for years, more have come to light recently because of decisions to replace some contractors and because of increasing activism by environmentalists and state governments to control pollution of air, soil and water.

Even with increasing awareness, solutions appear to be many months and billions of dollars away. Among the outstanding problems are these:

● The equipment at Fernald, the sole location for several key steps in the production line that makes fuel for nuclear submarines and plutonium for bombs, not only is old but was designed poorly in the first place.

At the "tank farm" there, where the chemicals used in processing are stored, "instrumentation throughout the system is primitive, even by 1950 standards," according to a consultants' study done last year for the company then operating the center, NLO Inc.

The study also cited "breakdowns in management" by NLO, which did not bid to continue operating the plant this year. The Fernald operations also have been criticized by environmentalists and Ohio officials as violating state pollution laws.

Fernald is now producing uranium ingots at three times the level it was at the end of the Carter administration, when it was unclear whether a large supply of new nuclear bombs would ever be needed.

● One of the main reactors for U.S. plutonium production, at Hanford, is in the 23d year of what was supposed to be a 20-year lifetime. It has a variety of age-related

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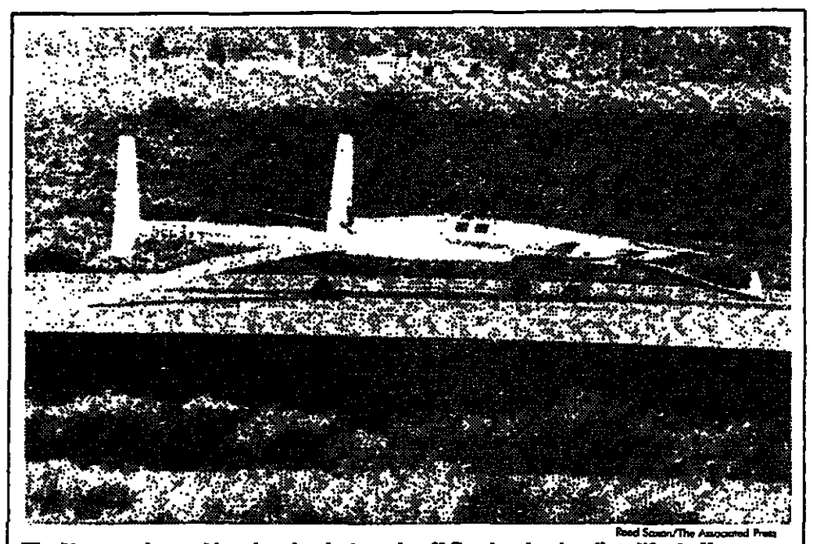


Reed Saxon/The Associated Press

The Voyager dragged its wing tips during takeoff Sunday, but its pilots lifted off anyway.

# Record-Setting Flight Attempt Starts

## Pilots Hope to Circle World Nonstop, Without Refueling

*The Associated Press*

EDWARDS AIR FORCE BASE, California — The experimental U.S. aircraft Voyager took off Sunday in an attempt to set a record by circling the Earth nonstop without refueling.

One of the plane's 111-foot (33.7-meter) flexible wings was damaged when it dragged on the runway during takeoff, but the two pilots decided to press on and headed out over the Pacific Ocean.

■ **Pilots Undeterred by Problems**

Dick Rutan and Jeana Yeager, undeterred by debt, motion sickness, threatening weather, hardware glitches and other persistent gremlins, have sealed themselves inside a craft that looks like a fuselage dragging a fence and flown out of a California dawn on a maverick quest, The Washington Post reported.

The pilots want to go around the world nonstop, 25,000 miles (40,528 kilometers), without refilling the craft's 17 gas tanks in its wings.

The Voyager's goal is not just to break a record but, as Ms. Yeager said, "to take a step into the future," to usher in the next generation of airplane. They estimate that a similarly built jumbo jet could fly "three times as far for half the money."

The Voyager contains no metal except in its engines, fasteners, cables and fittings. Its skin is made of an oven-cured "sandwich" of graphite fiber tape over a honeycomb core material said to be stronger than steel at one-fifth the weight.

The Voyager's flight was first set for mid-September, when global weather conditions are best. It has had a number of delays, and in late September, during its 54th test flight, lost part of its front propeller. That forced the team to mount two new propellers, retool the engines and retest the plane.

The record for nonstop, unrefueled flight was set in 1962 by a B-52H jet bomber flying 12,532 miles from Okinawa to Spain.

Mr. Rutan and Ms. Yeager expected to spend 12 days confined in a small pod, either lying prone or sitting half upright, keeping track of data and snacking on dried fruits and energy bars. Their pillows are lightweight parachutes.

They will give special attention to constant weather updates via satellite relay because, in the slightest turbulence, their featherweight plane will heave and pitch like a sailboat on a stormy sea, its wings flexing up and down like those of a bird.

Voyager is designed to carry up to five times its unfueled weight of about 1,860 pounds (845 kilograms). At takeoff, its wings, booms and fuselage were filled with more than 9,400 pounds of 100-octane gasoline.

Voyager was designed by Mr. Rutan's brother, Burt, an aircraft designer who has won international acclaim for his innovations. It was built by friends, small donors and volunteer craftsmen.

The pilot flies half-sitting on the right of the fuselage while the off-duty partner lies prone in a bunk "tunnel" to the left. The entire cockpit and bunk area is 7½ feet long and as narrow as two feet.

# OPEC Talks Bog Down on Price Boost

By Thomas Nerrer
*International Herald Tribune*

GENEVA — Talks between petroleum ministers of the Organization of Petroleum Exporting Countries over raising prices by cutting production bogged down Saturday and private bilateral meetings were held Sunday in an effort to overcome political and technical obstacles.

Several oil ministers and delegates interviewed during the day said that the will to reach an agreement remained strong but that much work remained to be done before the details of an accord could be presented in the form of a final communiqué.

"The will is definitely there," said Etienne Guy Mouvagha Tchioba, oil minister of Gabon. "But many obstacles remain to be overcome."

A decision Saturday to suspend the full ministerial conference until Monday marked the first slowdown in the conference since it began Thursday and moved with unusual speed toward broad agreement to cut production. The quick start buoyed oil markets Thursday, and statements by ministers that they had agreed in principle to production cuts sent prices

AP

Mana Saeed Otaiba

soaring above $16 a barrel Friday.

"We need more time, and it's a weekend, so let us enjoy our weekend and cook it on a quiet fire," said Mana Saeed Otaiba, oil minister of the United Arab Emirates who had earlier predicted that ministers could conclude their talks Saturday.

But Mr. Mouvagha Tchioba and other ministers said Saturday's meeting bogged down on such technical questions as what percentage the cuts should be and whether they should be made from quotas or estimated production; what nations, such as Gabon, Ecuador and possibly Qatar, which can ill-afford cutbacks economically, should be excluded from the

See OPEC, Page 15

# Pretoria's New Curbs: Defeating Own Goals?

By Alan Cowell
*New York Times Service*

JOHANNESBURG — When South Africa's white rulers sought last week to justify their newest and most draconian tightening of emergency rule, they did so in a manner that seemed to some critics to defeat the very goals they sought to pursue.

By casting the outlawed African National Congress as the direct cause of a form of rule that is stifling South Africa's limited democracy, the authorities tacitly promoted the insurgent movement to the status of apartheid's principal antagonist. And that seemed to defeat the government's prime goal: the emasculation of the congress.

The status barely tallies with the record of a movement whose principal gain seems to have been to capitalize on a nation's agony by presenting itself as the sole source of hope and redemption. The message, by many accounts, has been well received in the nation's segregated black townships, if only because 38 years of Afrikaner rule have eroded the alternatives.

It is perhaps indicative of black desperation that the military campaign of the African National Congress — low-key, sporadic and hardly a threat in any conventional sense — is seen by its supporters as heroic.

At the same time, the proclamation of the new measures, which are designed in part as a psychological counterblow to black protest, seemed a tacit acknowledgment that earlier tough emergency measures in force since June 12 had failed to win black quiescence.

The centerpiece of the government's case, as presented to reporters, is a slender, blue-bound docu-

**NEWS ANALYSIS**

*South Africa has severely restricted the reporting of unrest or dissent. Correspondents may be fined or imprisoned for failing to submit to censors articles that contravene regulations.*

ment entitled "ANC Planning 1987," said to be a policy statement of the congress obtained by Pretoria's intelligence services. So far, only the authorities have attested to its authenticity.

The document, said to represent official congress strategy, purports to prove that the organization, based in Lusaka, Zambia, seeks to combine military activity with a psychological war designed "to reinforce the confidence of our people in the ability to emerge victorious" and a political war designed to mobilize mass resistance to apart-

See PRESS, Page 2

# U.S. and Spain Trade Threats as Conflict Over Bases Worsens

By Edward Schumacher
*New York Times Service*

MADRID — Discord between the United States and Spain over American bases in Spain has sharpened, with the U.S. secretary of state, George P. Shultz, and Spanish officials separately threatening to shut down the bases altogether.

Mr. Shultz, responding to a question at a news conference Friday after a meeting of the North Atlantic Treaty Organization in Brussels, raised the possibility that Spain's demands in the talks would make it "not very worthwhile to expend the resources necessary" for the bases.

Spain's foreign minister, Francisco Fernández Ordóñez, addressing a news conference Thursday after a meeting with Mr. Shultz that was described as "brusque," emphatically repeated that if the United States did not meet Spain's demands to reduce the bases, which are operating under a 1982 treaty, "there will be no treaty."

Spanish officials said Friday that this meant the 14,100 American troops spread among one navy base, three air bases and several communications installations would have to leave.

U.S. and Spanish officials said they were still optimistic that an accord could be reached. But they said the threats reflected a growing frustration over the negotiations.

Adding to Spanish anger was a statement by the U.S. defense secretary, Caspar W. Weinberger, during a European swing a week ago that the American troops in Spain belonged to NATO. In response, Prime Minister Felipe González noted that the troop treaty was a Spanish-American accord.

"It must be an interpretation error," the prime minister said of Mr. Weinberger's comments, "unless it's a unilateral error of knowledge."

U.S. officials later said that Mr. Weinberger meant the troops would be part of the greater NATO defense in case of war.

Mr. Weinberger compounded the problem by admitting in a news conference in Morocco during the same swing that he did not know what Ceuta and Melilla are. Ceuta and Melilla are Spanish enclaves on the Moroccan coast. Spaniards fear that NATO and the United States would not protect them should Morocco, which claims the enclaves, invade.

The González government has been committed to reducing the U.S. presence since Spaniards voted in an April referendum to stay in NATO. To overcome isolationist sentiment, Mr. González stipulated in the referendum that the troops be reduced, no nuclear weapons be based in Spain and Spain remain outside NATO's military structure.

To underline their seriousness, the Spaniards have set an unofficial negotiating deadline of next November. That would leave the six-month notice time for nonrenewal that is required under the current treaty, which expires in May 1988.

Spain's primary demand is that the United States remove or sharply cut back the more than 4,500 U.S. troops on the American part of a Spanish air base at Torrejón de Ardoz. Just 11 miles (18 kilometers) outside Madrid, the base is highly visible and thus a politically sensitive issue. Many leftists say the base invites an attack on the Spanish capital.

The United States argues, however, that the American wing of the 72 F-16 warplanes operating from the base is critical to Western defense because it would support the Italian, Greek and Turkish theaters in war.

Spain also is demanding that nearly 2,000 troops at an air base outside the northern regional capital of Zaragoza be sent home. The Americans contend these troops are important for training and logistics support.

Spaniards do accept the presence, however, of the several airmen at a backup air base in the southern town of Morón and of the nearly 5,000 troops at the Sixth Fleet's critical supply base at Rota.

The United States voluntarily cut 500 American positions at Torrejón last summer. But it argues that Spain must be capable of fulfilling Torrejón's and Zaragoza's Western defense mission before more Americans are sent home.

U.S. officials are awaiting the terms of an impending agreement between Spain and NATO over the Spanish military role. Spain, however, has largely rejected any role outside its territory.

## RIOTS: *Ethnic Clash in Karachi*

(Continued from Page 1)

hajir sections of the district, shooting and burning at will.

A five-year-old girl was burned to death in her house and a 10-year-old girl was shot in the head as she tried to run for cover, according to witnesses.

Doctors at the Abassi Shaheed hospital stopped taking casualties after they had no more space in their emergency rooms.

"We received 18 bodies and 86 injured in three hours from 2 P.M. to 5 P.M.," said Dr. Aboul Basit, a surgeon at the hospital.

When Pakistani Army troops finally secured control of the area, fire department units were able to enter. Officials said they found at least 150 houses and shops ablaze, all owned by Muhajirs.

Other reports said that as many as 400 buildings were ablaze with Muhajirs also setting fire to some Pathan-owned shops. Police reportedly opened fire to separate groups of Pathans and Muhajirs.

One of the injured, Mohammad Karim, was quoted by news agencies as saying from his hospital bed: "The Pathans looked like barbarians. They were interested in killing Muhajirs and looting and arson. One Pathan was saying he would kill at least six Muhajirs from each house."

Another casualty was quoted as saying: "I went out to see my brother, when all of a sudden I was hit by a bullet from a hill where there were more than 10 Pathans. They kept on firing indiscriminately until three o'clock. The area looked like a battlefield."

The Orangi Town district consists of a bowl-shaped area surrounded by hills. For the most part, Pathans live on the hills and the Muhajirs in the valley. November's violence followed a similar pattern as Sunday's with heavily armed Pathans sweeping down on the defenseless Muhajirs.

The Bara bazaar, built on desert scrubland about half an hour's drive from the center of Karachi, is a huge complex of tents and makeshift stalls where everything from cotton goods and smuggled electronic items to heroin and automatic rifles can be found.

International narcotics experts say that hundreds of kilograms of heroin and hashish regularly move through the bazaar, which is the end of the line for heavily traveled truck routes from the drug regions of the North-West Frontier Province. Pathans and Afghan refugees dominate much of Pakistan's truck traffic.

Last week, in an embarrassing development, an army major being held on charges of transporting more than 200 kilograms of heroin escaped from a high security prison and reportedly was later seen in the Bara bazaar area.

Shiite militiamen firing Sunday at the Burj al-Brajneh refugee settlement near Beirut.

## Palestinians Block Lebanon Truce

*The Associated Press*

BEIRUT — Palestinian fighters refused Sunday to withdraw from positions they have captured in clashes with Shiite Moslems, blocking a peace plan proposed by Iran.

More than 600 people have been killed in three weeks of fighting between Palestinians loyal to Yasser Arafat, the chairman of the Palestine Liberation Organization, and Shiite Amal militiamen in refugee camps in Beirut and southern Lebanon.

Police said fighting died down in Beirut and the southern port cities of Sidon and Tyre as a 12-member Iranian delegation tried to work out a truce. But the Palestinians said that their troops would not withdraw from the Maghdousheh settlement near Beirut until Amal lifted its siege of the Rashidiyeh camp in Tyre and Chatila, another Beirut camp.

## PRESS: *Pretoria's Curbs*

(Continued from Page 1)

held through such organizations as the United Democratic Front.

According to the document, the congress seeks to promote the idea of "people power," to divide and enervate the white minority and to harness black township protest as a quasi-military force led by congress representatives to press a "people's war."

But the document says the United Democratic Front — the country's biggest non-parliamentary opposition movement, which subscribes to the same political charter as the African National Congress — has failed to fulfill the role ascribed to it by the congress as a force of political mobilization. It dwells, too, on a military strategy that has "not come anywhere near the achievement of the objectives we set ourselves."

If that is the case, a reporter asked a government minister, without receiving an attributable answer, why all the fuss?

Militarily and politically, according to the the official line, South Africa is not frightened of the congress, but it does not underestimate its ability to turn domestic protest to its own goals, which encompass the end of apartheid and the creation of a new social and economic order. That is said to explain the crackdown.

According to Dave Steward, a principal government propagandist, there is a comparison between South African press reporting of the crisis in South Africa and American press reporting of Vietnam.

Mr. Steward said on nationwide television the other day that the American press contributed directly to the outcome in Vietnam. The inference is that the government does not intend to allow the same thing to happen here.

The regulations seem to dwell at length on a perceived role of the South African press, in particular, in promoting the "revolutionary onslaught." At a first reading, it seems possible to report the mere fact that a boycott of, say, white-owned stores is taking place. But it is unlawful to seek to gauge the success of the boycott, or to report how people might be cajoled or intimidated or enticed into supporting it.

The government's reasoning seems to be that if news of a protest disappears, then that protest will find no echo that might encourage others to take part, or give heart to those who are already participating.

The regulations also expand the official definition of subversion, making it unlawful to advocate such forms of protest as boycotts, which are regarded by some as a peaceful way of pressing demands in a land where normal parliamentary channels are not available to the majority of the people.

In a conflict in part dependent on who holds the psychological initiative, the government's view is that enforced public silence about protest will erode the will of the protesters to proceed in the absence of visible and acclaimed advances.

Mr. Steward indicated the other day that the government would then be able to proceed with its program of cautious racial change.

But the regulations also bar all but officially authorized reporting of actions by the security forces. Those forces, including local black auxiliary police forces in segregated black townships, may thus operate beyond public scrutiny, presumably with greater freedom to pursue the raids that have led to 22,000 detentions since the newest state of emergency was declared June 12.

Since September 1984, about 2,300 people, the vast majority of them black, have died in protest and violence.

In the view of some of the government's opponents, the very ascendancy of the supposed "revolutionary climate" is rooted in the increasing restrictions on nonrevolutionary alternatives. In the 27 months since the start of the crisis, the avenues of black protest — public meetings or black funeral rallies — have been steadily closed or narrowed, while the white authorities have shown themselves more and more embattled, a mood encouraged by such foreign punishments as divestment of South African holdings and other economic sanctions.

After President P.W. Botha went on nationwide television Friday night to justify the clampdown by reference to the purported African National Congress threat of terror and murder, Colin Eglin, leader of the opposition in the segregated, white chamber of Parliament, said reports of impending violence and terror should be taken seriously.

## IRAN: *Senators Assail White House*

(Continued from Page 1)

He was granted a delay to Tuesday.

But Mr. Durenberger said it was Colonel Earl's refusal to testify that ended his feeling of confidence that the administration would cooperate fully in making details of the Iranian controversy public.

Mr. Durenberger said that without the testimony of Admiral Poindexter, Colonel North and Colonel Earl, "we just aren't going to get out all the facts in the case."

Several inquiries into the Iran-Nicaragua affair have already begun or are about to start. The House and the Senate have agreed to form separate select investigating committees, with work expected to begin shortly after the new Congress convenes Jan. 6.

These other developments were reported by the wire services:

● Mr. Reagan may appeal to Colonel North and Admiral Poindexter to divulge their involvement in the diversion of funds to the contra rebels, administration officials said Saturday. *(NYT)*

● The White House chief of staff, Donald T. Regan, has vowed to stay in his post, rejecting demands that he resign over the affair, according to the Senate Republican leader, Bob Dole of Kansas. *(AP)*

● Mr. Dole said the Iranian affair was "just plain stupid." He urged Mr. Reagan to call a meeting of European leaders and "lay all the cards on the table." *(NYT)*

## Swiss Link North to Accounts

By Loren Jenkins
*Washington Post Service*

BERN — Lieutenant Colonel Oliver L. North, the former National Security Council aide under investigation for diverting profits from arms sales to Iran to the Nicaraguan rebels, has been linked to both Swiss bank accounts that the U.S. Justice Department's Criminal Investigation Division has asked the Swiss authorities to freeze, according to Swiss government officials.

Officials of the Ministry of Justice and Police, meanwhile, expressed surprise that the United States had failed to provide them with information they needed to freeze the accounts controlled by Colonel North and to lift Swiss banking secrecy covering them.

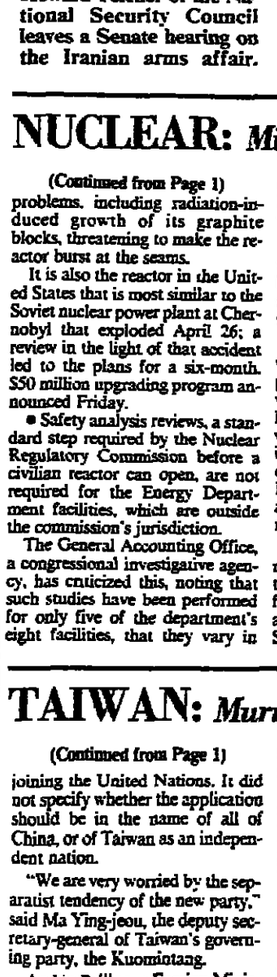
Colonel North, the officials said, had exclusive access to one of the accounts in the Geneva branch of the Credit Suisse bank, and shared access to the second account in the same bank with Major General Richard V. Secord, a retired air force officer, and with an Iranian-born U.S. businessman, Albert Hakim.

General Secord and Mr. Hakim have been named as key figures in the military-supply operation to the Nicaraguan rebels, known as contras. The operation was reportedly directed by Colonel North.

It is suspected that both accounts were used by Colonel North and his associates in transferring receipts from the arms sales to help provide military aid to the contras.

Credit Suisse officials have said they froze the two accounts on their own pending a request to do so from the Swiss government. If an official request, backed by evidence of a criminal investigation under way, is not made, the bank would be free to unfreeze the accounts.

A formal request from the U.S. Justice Department for Swiss government help in blocking the two accounts was received Dec. 8. But the Ministry of Justice and Police, which would have to act on it under Swiss law, ruled it inadequate and asked for further information.



Howard Teicher of the National Security Council leaves a Senate hearing on the Iranian arms affair.

## U.K. Reportedly Shipped Tank Parts to Iranians

*The Associated Press*

LONDON — Britain shipped 50 Chieftain tank engines, spare parts for Scorpion armored cars and radar equipment valued at a total of £35 million ($50 million) to Iran last month, The Observer newspaper reported Sunday.

The London weekly said the shipment left for the Gulf from the northwest England port of Liverpool on Nov. 21 in 14 containers listed on an export license as electric and engineering equipment.

The paper said it had been given access to documents describing the shipment. It said the sale was made in July between a government-controlled defense sales organization and Iranian arms buyers based in London.

The government has said it has banned the sale of "lethal" equipment to Iran or Iraq that could significantly help either side to prolong or exacerbate their war, which began in 1980.

On Tuesday, a junior defense minister, Archibald Hamilton, told the House of Commons that Britain handled military contracts with Iran as late as October 1986, but he said that anything sold was "nonlethal."

Mr. Hamilton said the trade was restricted to contracts signed before Shah Mohammed Reza Pahlavi was driven from power in the 1979 Islamic revolution. He did not describe the equipment that was sold.

There is no British arms embargo against Iran, but London has said that it opposes the sale of weapons that could prolong the conflict.

In October 1985, the Defense Ministry said it had delivered spare parts for tanks and armored cars to Iran under existing contracts.

On Thursday, The Daily Telegraph reported that the government had granted an export license to Plessey Co. to sell £240 million of aircraft radar detection equipment to Iran.

The paper said Plessey is to supply six AR-3D static air defense systems for Iran's borders with the Soviet Union and Afghanistan.

## NUCLEAR: *Military Plants Are Called Antiquated*

(Continued from Page 1)

problems, including radiation-induced growth of its graphite blocks, threatening to make the reactor burst at the seams.

It is also the reactor in the United States that is most similar to the Soviet nuclear power plant at Chernobyl that exploded April 26; a review in the light of that accident led to the plans for a six-month, $50 million upgrading program announced Friday.

● Safety analysis reviews, a standard step required by the Nuclear Regulatory Commission before a civilian reactor can open, are not required for the Energy Department facilities, which are outside the commission's jurisdiction.

The General Accounting Office, a congressional investigative agency, has criticized this, noting that such studies have been performed for only five of the department's eight facilities, that they vary in comprehensiveness and that none has undergone an independent review.

● Radiation exposure at the military nuclear facilities is monitored by the contractor-operators, and at some plants they also set the exposure standards.

Unions representing nuclear workers say this makes them suspect, and union officials, in interviews and congressional testimony, have described a casual attitude toward radiation safety. Some of this is documented by internal reports of the contractors and the Energy Department and its predecessor agency, the Atomic Energy Commission.

● Serious pollution problems are reported by the government at virtually all of the U.S. plants that form the production line for nuclear bombs, including Hanford, the Savannah River plant in South Carolina, the Oak Ridge reservation in Tennessee and the Rocky Flats plant in Colorado.

Even without further production of bomb fuel, according to the experts, the United States would face a bill running into the billions, perhaps tens of billions, to stabilize vast amounts of leftover chemical and nuclear wastes.

The Energy Department now agrees that many of its facilities need improvement and that it historically has operated in a manner that is no longer acceptable. But it attributes this to changing standards and to a new appreciation of the dangers of radiation.

The department, dissatisfied with the contractors who run several of its operations, has replaced them or announced plans to do so at the uranium enrichment plant at Piketon, Ohio, at Fernald, and, Friday, at Hanford.

## TAIWAN: *Murmurs for Independence Are Increasing*

(Continued from Page 1)

joining the United Nations. It did not specify whether the application should be in the name of all of China, or of Taiwan as an independent nation.

"We are very worried by the separatist tendency of the new party," said Ma Ying-jeou, the deputy secretary-general of Taiwan's governing party, the Kuomintang.

And in Beijing, a Foreign Ministry spokesman, Ma Yuzhen, warned that China was "firmly opposed to any theory and acts that advocate the independence of Taiwan or self-determination."

The possibility of independence was a strong undercurrent in the campaign for the Dec. 6 elections, in which 23 of the 44 candidates fielded by the Democratic Progressive Party were elected.

"I think self-determination is the most important political issue in the campaign," said Frank C.T. Hsieh, a prominent opposition politician.

Most political analysts do not go that far, saying that other issues — such as crime, social security, and the length of military service — are more important to most voters. While opinion is very difficult to gauge, most analysts say that only a minority favor the establishment of Taiwan as an independent nation.

There has always been some sentiment for independence. The native Taiwanese, who speak their own dialect, constitute 86 percent of the population and often complain of domination by "mainlanders," those who came from the mainland in the late 1940s, and by their descendants.

Taiwan's legislative bodies purport to represent the mainland as well as the island. They include a large number of delegates elected from the mainland in 1947 and 1948. These members have lifetime tenure and vastly outnumber those from Taiwan.

Opposition candidates poked fun at the mainland delegates, portraying them as senile and able only to lift their hands in assent to the government.

A more pressing problem is that the mainland delegates are dying. Taipei has said it is considering major changes; typical proposals involve retaining some delegates to represent the mainland.

# WORLD BRIEFS

## Soviet Says Chernobyl Leak Is Over

MOSCOW (Reuters) — Radiation has stopped leaking from the nuclear reactor at the Chernobyl power station that was the site in April of the world's worst nuclear accident, Soviet officials said. They confirmed that the reactor had been completely sealed in reinforced concrete.

The Communist Party Central Committee, which earlier heard a report by a government clean-up commission, said the accident April 26 killed 28 persons and required 237 to be hospitalized. It said that compensation of 800 million rubles ($1.17 billion) has been paid to victims.

The statement, published by Tass, also said that 12,000 homes had been built for the 116,000 people evacuated from the area, fewer than the 135,000 evacuees estimated previously. The statement said that the nearby River Dnieper now met normal sanitary levels and that 500 populated areas and 60,000 local buildings had been decontaminated.

## Italy Threatened With New Bombings

ROME (UPI) — Nearly one year after terrorists killed 16 people and injured 72 others at Rome's Leonardo da Vinci airport, a group calling itself the Arab Revolutionary Brigades has sent a message to Prime Minister Bettino Craxi threatening new violence unless Italy frees Arab prisoners, newspapers reported Sunday.

No names were mentioned. But the threats coincide with an appeals court ruling, expected Monday, regarding two convicted terrorists, Mohamed Abdullah Mansouri, who is serving 16 years for trying to smuggle 17.6 pounds (eight kilograms) of explosives into Italy in 1984, and Josephine Abdo Sarkis, who is serving 15 years for related activities.

Italian police said they believe the new threats are linked to a series of similar messages over the last 18 months from the Lebanese Armed Revolutionary Faction — to which the two prisoners belong — and its presumed offshoot, the Committee for Solidarity with Arab and Middle Eastern Political Prisoners. The latter group is believed responsible for a wave of bombings in Paris in September that killed 11 people.

## 450 Held After Looting in Zambia

LUSAKA, Zambia (Reuters) — Zambian police have detained 450 people in the northern copper mining area in a sweep to recover goods looted during food riots last week, the official news agency ZANA said Sunday.

A police spokesman, Lawrence Munalisa, asked shopkeepers to go to police headquarters in the towns of Ndola, Kitwe and Chingola to identify their property, ZANA reported. The looters stole shoes, clothes, perfumes and electronic equipment during protests against a 100-percent increase in the price of maize meal. President Kenneth Kaunda canceled the increase on Thursday.

Mr. Munalisa said police continued to protect maize mills and were providing escorts for vehicles distributing maize meal, which is in short supply in the copper mining area after mills suspended production.

## Commandos Free 2 From French Jail

PAU, France (UPI) — A commando unit of about 10 persons entered a prison near this town in southwestern France early Sunday, took the warden and his daughter hostage and freed two Basque militants, police said.

Three members of the group, dressed in police uniforms, drove into the prison just before 1 A.M. in two cars and a small truck. The others followed them in, and the group left with the two prisoners shortly afterward. The warden and his daughter were released unharmed at a nearby campground.

Police identified the freed prisoners as Marie-France Héguy, 25, and Jean-Gabriel Mouesca, 27, members of the Basque separatist group Iparretarrak. Police have attributed several terrorist attacks to the group. Ms. Héguy was serving a four-year term for possession of firearms and Mr. Mouesca was serving a five-year term for an arson attack near Pau.

## 25 Killed as Rival Tamil Groups Clash

COLOMBO, Sri Lanka (Reuters) — At least 25 Tamil militants were killed in fighting between rival rebel groups over the weekend, residents and military sources said Sunday.

Residents said the men died when the Liberation Tigers of Tamil Eelam, the most powerful of the four main guerrilla groups fighting for a separate state, clashed with the Eelam People's Revolutionary Liberation Front in the island's northern and eastern areas.

Military sources said the Liberation Tigers lost eight fighters and killed 17 members of the other group in the battles that erupted Saturday night. Residents said 10 Eelam Front members were killed Sunday in a gunfight in the port town of Batticaloa in Eastern Province, while four others were killed in Chavakachcheri in the north.

## For the Record

**Journalists at Agence France-Presse voted Saturday** to extend a general strike for 72 hours to protest a restructuring plan that would eliminate 300 jobs over the next three years. *(AFP)*

**Iraq said its jets destroyed** an anti-aircraft missile base in the center of Tehran on Saturday and set fire to the Iranian capital's electric power station. *(Reuters)*

## MISSILES: *Afghan Rebels*

(Continued from Page 1)

would be halted before the withdrawal of Soviet forces begins. The Americans and Pakistanis have said that if the arms flow is halted, the Soviet Union must pull out its forces quickly so that the rebels will not be put at unacceptable risk.

American experts speculated that Mr. Gorbachev had summoned the Kabul leaders to Moscow to press them to end internal strife, as well as to discuss the possibility of compromising on a timetable when talks resume in February. The officials said there had been many reports of armed clashes between the different leadership factions.

Of more significance, they said, were these developments:

● Military pressure on Kabul, the Afghan capital, resumed in recent months, after Soviet forces had some success in building security cordons around the city. The officials said the Kabul airport and the city itself had repeatedly been shelled by guerrillas entrenched in foothills around the city. The Soviet Embassy has been hit and a large ammunition dump destroyed.

● After suffering major defeats in the northeastern part of the country last year, the guerrillas have attacked effectively. Two Afghan Army camps of battalion size were overrun, with the capture or killing of 400 to 500 soldiers.

● The guerrillas remained in control of most of the two other major cities, Kandahar and Herat, despite Soviet efforts to expel them in heavy fighting in the summer and fall.

● Despite Soviet efforts to cut off supply routes, the military equipment is being provided to the Afghan guerrillas in greater quantity and better quality.

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WORLDWIDE ENTERTAINMENT

# AMERICAN TOPICS

## Formerly a Reward, GI Bill Is Now a Lure

At the end of the World War II, Congress voted the first GI Bill of educational benefits to help veterans in the transition back to civilian life. Later the bill was extended to those who served in the Korean and Vietnam wars.

Since the end of the draft and the advent of all-volunteer services in 1973, however, the purpose of the bill has fundamentally changed, Richard Halloran reports in The New York Times. "It has become less an award and more an incentive to attract young recruits."

The army has found in a survey that the prospect of money for college is now the leading reason young men and women enlist, replacing a negative motivation: inability to get a civilian job. The next reason given is to learn a skill.

Army officers say 85 percent of recruits today sign up for the new bill, which requires a $100 deduction from their $573 monthly base pay for the first year of service.

The bill may hinder the retention of experienced personnel. The prospect of a subsidized college education gives bright young people an incentive to leave. This is more of a drawback for the navy and air force, which need many technicians, than for the army or marine corps, which need large numbers of ordinary combat soldiers for relatively short periods.

## Short Takes

Housing prices in Cambridge, Massachusetts, have risen more than 30 percent a year in the past few years and now can run well over half a million dollars. With Harvard professors making an average annual salary of $66,000 a year, fewer and fewer of them are able to live in the university's home city. "Cambridge as a home for Harvard people is dead," said George C. Homans, 75, a professor emeritus of sociology. He bought his late-Victorian three-story house for $25,000 in 1955. Similar houses nearby recently sold for more than $700,000.

Clevelanders took exception to a proposed magazine advertisement showing a gray industrial skyline marked "Cleveland" and a woman sunning on a beach marked "Palm Beach County, Florida" with the headline, "Given the fact that they cost the same, where would you prefer to hold your business meeting?" Robert Rosenberg of the Palm Beach county convention bureau said, "We never intended to knock a destination. Cleveland has some awfully fine qualities, based on all the letters I've gotten and the radio stations that have called to tell me that at 6:30 in the morning."

Piper-Heidsieck, the French champagne house, commissioned a survey of businessmen's drinking habits and offered a free bottle of champagne, or a charitable contribution in the executive's name, as an incentive to participate in the study. Only four of the 121 who took part opted for charity.

Shorter Takes: The Federal Aviation Administration has proposed banning flights below the rim of the Grand Canyon, where a collision of an airplane and a helicopter killed 25 persons this year. ● Portland, Oregon, is trying, with some success, to make downtown more livable by banning sales of fortified wine to discourage derelicts from congregating. Similar measures are being discussed in Seattle, Los Angeles and Washington. ● California's San Quentin prison got rid of its noisiest jailbird — a macaw that flew in and kept inmates awake for days with its constant squawk, "I can walk — can you fly?" It finally was netted and returned to its owner.

## Notes About People

Mayor Coleman A. Young of Detroit, despite strong reservations, has signed legislation requiring a 30- to 90-day jail sentence for anyone caught carrying handguns. Detroit has had more than 480 fatal shootings so far this year, the highest rate in the United States. Mayor Young called the measure "little more than a fig leaf covering only the very briefest portion of a very complex and very serious problem," but added, "Frankly, it is not worth the wailing and gnashing of teeth which would pour forth if I were to veto it."

Now that Larry Speakes, the White House spokesman, is moving to Merrill Lynch & Co., the New York brokerage house, sources in the Reagan administration say the leading candidates to succeed him are Albert R. Brashear and Peter H. Roussel, both deputies in the White House press office; Ann Dore McLaughlin, under secretary of the interior; Gary Schuster, former CBS correspondent and now a White House media consultant, and Sheila B. Tate, former press secretary for Nancy Reagan.

—ARTHUR HIGBEE

Jim Garbarich/The Associated Press

**HIGH-CLASS TRASH — Sidney Mobell, a San Francisco jeweler, shows off a 10-gallon, gold-plated garbage can inlaid with 457 gems. Mr. Mobell calls his creation "La Garbage" and has put a $150,000 price tag on it.**

# Reagan Is Proposing the Sale Of Amtrak Under '88 Budget

By Robert Pear
*New York Times Service*

WASHINGTON — President Ronald Reagan's draft budget for the next fiscal year proposes the sale of Amtrak's Northeast passenger line, serving New York, Washington and Boston, administration officials said Saturday.

They also said the draft budget called for a cut of more than 50 percent in federal aid for urban mass transit systems, to $1.6 billion from the current $3.4 billion. Mr. Reagan has proposed cuts in mass transit assistance for several years, with only limited success in Congress.

Federal budget and transportation officials, discussing their plans for Amtrak, said they were heartened by the success of their five-year campaign to win congressional approval for selling Conrail, the freight railroad. The budget for the fiscal year 1988, which starts Oct. 1, is to be submitted to Congress on Jan. 5.

According to an administration official working on the budget, the draft proposes selling Amtrak's Northeast Corridor service in its entirety, including facilities owned by the railroad. It has not been decided whether it would be sold to a single private corporation or through a public stock offering, the official said.

W. Graham Claytor Jr., the chairman and president of Amtrak, officially National Railroad Passenger Corp., said the proposal to sell the Northeast Corridor service was not feasible.

"There are no buyers," he said Saturday. "It's not profitable. No passenger service in the world is profitable."

The proposed sale, which was criticized Saturday by consumer representatives as detrimental to rail passengers, faces an uncertain fate in Congress. Some rail industry experts doubt there would be any private buyers.

But some of Mr. Reagan's proposals to turn over government functions to the private sector, after being harshly criticized at first, were eventually approved by Congress.

Amtrak was established by Congress in 1970, when railroads were divesting themselves of intercity passenger service because it was unprofitable. Administration officials said Amtrak management had turned the Northeast Corridor service into a financially sound business that would be attractive to investors.

In the Northeast Corridor, Amtrak now carries more passengers daily than any of the airlines with which it competes. Amtrak operates in 43 states and carries 20.5 million passengers a year, including 10.5 million in the eight states served by the Northeast Corridor lines: New York, New Jersey, Connecticut, Maryland, Delaware, Pennsylvania, Rhode Island and Massachusetts.

The proposed sale is part of Mr. Reagan's overall effort to transfer government assets and programs to private industry. He has, for example, proposed the sale of the Bonneville Power administration, the naval petroleum reserves, government loan portfolios and surplus real estate owned by federal agencies.

The Office of Management and Budget initially estimated that the government could obtain $2.8 billion from the sale of Amtrak's Northeast Corridor, administration officials said. Transportation Department officials said the figure was too high, and it has since been reduced to a little more than $1.5 billion.

Amtrak's revenue sources include real estate, payments for carrying mail, and leases to telecommunications companies that lay fiber optic cable along Amtrak's right of way.

Amtrak owns Pennsylvania Station in New York City and 30th Street Station in Philadelphia, as well as stations in Baltimore, Maryland, and Wilmington, Delaware, according to R. Clifford Black 4th, a spokesman for Amtrak.

# Managua Says American Is Arrested at Air Base

*The Associated Press*

MANAGUA — An American citizen, the brother of a U.S. congressman, has been arrested carrying military maps at an air base in northern Nicaragua and is being held on suspicion that he was spying, according to the government.

Foreign Minister Miguel D'Escoto Brockmann said Saturday that the American had been identified by his U.S. passport as Sam Nesley Hall, 49, of Dayton, Ohio. Mr. D'Escoto said he had been captured Friday inside an air base at Punta Huete, north of Managua.

Mr. Hall is the brother of Representative Tony P. Hall, a Democrat of Ohio.

A State Department spokesman, Bruce Ammerman, said Sunday that he had no independent confirmation of Mr. Hall's arrest. "We hope that the government of Nicaragua will allow us access to the person arrested," Mr. Ammerman said.

Mr. D'Escoto said that Mr. Hall had first identified himself as a writer interested in Nicaragua, but later had told the Nicaraguan authorities that he was a member of the "Phoenix Batallion."

"He said that this batallion is a private organization that works for the U.S. armed forces," Mr. D'Escoto said.

"He said that the function of that batallion was to carry out espionage and gather military intelligence data of interest to the U.S. government," Mr. D'Escoto said.

He said that when Mr. Hall was searched authorities had found hidden in his sock a hand-drawn map detailing military points of interest in Nicaragua.

Mr. D'Escoto said that the Nicaraguan government did not have any further information about the Phoenix Battalion. He said that Mr. Hall had not said where the group was headquartered.

Mr. D'Escoto said that Mr. Hall would be investigated in the same manner as Eugene Hasenfus, the American air cargo specialist whose plane was shot down while on a supply mission to the U.S.-supported Nicaraguan rebels. Mr. Hasenfus was convicted by a Nicaraguan tribunal and sentenced to 30 years in prison.

Last week, a Nicaraguan appeals court upheld the sentence against Mr. Hasenfus. His lawyer has indicated he will seek a presidential pardon for Mr. Hasenfus.

In a June 1985 interview with The Associated Press, Mr. Hall described himself as a self-employed military adviser and counterterrorist. He said he was teaching commando tactics to anti-Sandinist Miskito Indians in Central America.

At the time, he was working with a private group in Flint City, Alabama, called Civilian-Military Assistance, which was organized to supply and assist anti-Communist forces in Central America.

Mr. D'Escoto said in an interview with the Mutual Broadcasting System that Mr. Hall had been found to be carrying maps and information about possible military targets in Nicaragua.

Mr. D'Escoto said that the information obtained by the government had confirmed "information that we have gathered from many sources about a plan, a United States plan, to attack Nicaragua."

"The map that was found contained the type of information with some technical data that would be of interest only to someone who has evil intentions — would be of interest only to a real or potential enemy of Nicaragua," Mr. D'Escoto said.

Mr. Hall's mother, Anna R. Hall of suburban Dayton, Ohio, said a friend of her son's had told her that he was in Nicaragua and had planned to return on Tuesday.

She said that until about two months ago, Mr. Hall had been in Florida working for a Tampa-area branch of a Dayton furniture store.

Larry Boyd/Reuters

**Foreign Minister Miguel D'Escoto Brockmann showing a copy of the map that he said was in Sam Nesley Hall's sock.**

# *U.S. Radio Monitor Cited In Kim Death Report*

By Don Oberdorfer
*Washington Post Service*

WASHINGTON — *Erroneous* reports last month of the death of President Kim Il Sung of North Korea were touched off by a lone U.S. radio monitor who thought he heard a North Korean broadcast to that effect, according to State Department officials.

A U.S. intelligence report on the solitary and surprising broadcast — attributed to the Pyongyang radio — was passed by the U.S. military command in Seoul to South Korean military officials on the weekend of Nov. 15-16. They quickly informed their country's top leadership, the sources said.

Up to that point, what happened is established fact, Washington officials said Saturday. But the reasons for what happened next are murkier: On Nov. 17, the South Korean Defense Ministry announced that North Korean propaganda loudspeakers at the demilitarized zone were broadcasting news that Mr. Kim, 74, had been fatally shot.

No recording is said to have been made of the original North Korean broadcast. But Washington and the U.S. military command in Seoul treated the broadcast warily because it was not repeated, no change in general programming to solemn music was reported and there was no indication of troop movements or other unusual activity in the North Korean capital.

Mr. Kim is known officially as "the great leader" in the closed communist system he has led since World War II.

Some U.S. officials believe the original report to have been a misinterpretation of a broadcast about the life — and death — of Kim Il Sung's mother, who is officially venerated in North Korea. Only one radio monitor of one U.S. agency heard that report.

The loudspeaker transmissions at the North-South dividing line also were not recorded. State Department officials said many doubts exist about these reported transmissions: South Korean military and civilian intelligence authorities were under heavy pressure from the Blue House, Seoul's equivalent of the White House, to produce information about Mr. Kim's reported death following the U.S. tip.

One official speculated that South Korean troops at the demilitarized zone, who were predisposed to believe that something had happened to Mr. Kim, either thought they heard confirmation from the loudspeakers across the DMZ or manufactured the confirmation to please higher-ups.

Either way, clear-cut refutation of the loudspeaker transmissions would be embarrassing to the South Korean military establishment, which made public an hour-by-hour chronology and "transcript" of the alleged announcements.

According to the Washington sources, careful study has failed to show that anything happened to Mr. Kim four weeks ago. On Tuesday, Nov. 18, a day after the news of his supposed death was flashed around the world, North Korean news agencies reported that Mr. Kim had appeared at the Pyongyang airport to greet a visiting Mongolian delegation, and released a photograph as proof.

The death report notwithstanding, several aspects of the situation in North Korea give rise to speculation and uncertainty among Washington officials.

In mid-October, Mr. Kim made a surprise four-day visit to Moscow, the results of which are unknown. One unusual feature of the trip is that Mr. Kim was reported to have flown to the Soviet capital although he usually travels by train and is said to dislike flying. His trip, only his second in two decades to the Soviet capital, apparently was hastily planned.

Most of the uncertainty arises from the succession process, which has long been under way. "The great leader" is eventually to hand over power to his son, Kim Chong Il, 46, officially known as "the dear leader."

Although no dissent is tolerated in North Korea and all is calm on the surface, many Western observers believe there is resistance to the dynastic succession of the younger Mr. Kim, who is less experienced than military, Communist Party and other major government figures.

# *General Strike on Austerity Fails to Paralyze Brazil*

By Alan Riding
*New York Times Service*

RIO DE JANEIRO — A 24-hour general strike, the first coordinated labor action in Brazil since the return of civilian rule last year, has failed in its primary objective of paralyzing the country, while slowing economic activity in much of Brazil.

The limited success of the strike Friday appeared to reflect the continued weakness of the union movement in most areas of the country except the industrial sector of São Paulo.

The action was called by labor organizations to protest government austerity measures, in particular recent price increases.

The low adherence to the strike also suggested that many Brazilians accepted the government's view that it was premature to gauge the impact of price increases. These were announced Nov. 21 as part of "necessary corrections" to an anti-inflation program known as the Cruzado Plan that was imposed last February.

Outside São Paulo, where 80 percent of large factories were closed, industry, banks and commerce were operating almost normally in most cities. Some disruptions of public transportation — like the subways in São Paulo and Rio de Janeiro — meant that supermarkets and streets were emptier than usual.

The government, which asserted that nationwide only 10 percent of workers joined the stoppage, denounced the strike as politically motivated. It put tens of thousands of police and troops onto city streets to protect workers who ignored the strike call.

Minor incidents were reported in several cities involving clashes between police and pickets, occasional stoning of buses and, in Rio de Janeiro, the looting of a handful of stores. More than 100 arrests were made in various areas.

[Flavio Pachalski, a labor federation spokesman, said that the result was "a victory" but conceded that the impact was spotty, the Los Angeles Times reported.

["The strike affected all states in *proportions that varied between 10* percent and 70 percent of the working population," Mr. Pachalski said.]

Political commentators said the labor movement's failure to paralyze Brazil should provide some political oxygen to President José Sarney, who has seen his popularity tumble since the price increases were announced last month.

The decision last month to relax a nine-month-old price freeze came in response to signs that increases in economic growth and consumer spending had eroded the country's trade surplus and foreign exchange reserves and were threatening to complicate upcoming negotiations to restructure much of Brazil's $105-billion foreign debt.

Brazil pays nearly $1 billion a month to service the foreign debt. Many Brazilian economists, politicians and labor leaders advocate a moratorium on the debt payments.

# Poet Is Free to Leave Soviet

*Reuters*

MOSCOW — Irina Ratushinskaya, a poet released from prison two months ago, says she has been given permission to leave the Soviet Union.

Miss Ratushinskaya, 32, said Saturday that she and her husband, Igor Gerashchenko, planned to leave for Britain in a few days but hoped to return to defend human rights in the Soviet Union.

"We can and must defend human rights by keeping our Soviet citizenship," she said by telephone from her home in Kiev.

"It will be very difficult to leave the country and very difficult to return," she added. "I don't know if they will let me."

Miss Ratushinskaya, regarded by Western critics and Soviet émigré writers as one of the most gifted modern poets, was released from a Kiev prison Oct. 9 after being transferred there from a labor camp in July.

She was sentenced in April 1983 to up to seven years in labor camp and five years of internal exile for alleged "anti-Soviet agitation and propaganda" after being arrested for illegally circulating poetry considered critical of Soviet history.

Five weeks ago the authorities refused to examine her initial application to leave.

Miss Ratushinskaya said she planned to undergo medical treatment in Britain and visit other countries that had invited her, including the United States, Australia, Norway, France, Italy and Sweden.

She has heart problems and bronchitis that Mr. Gerashchenko recently described as serious.

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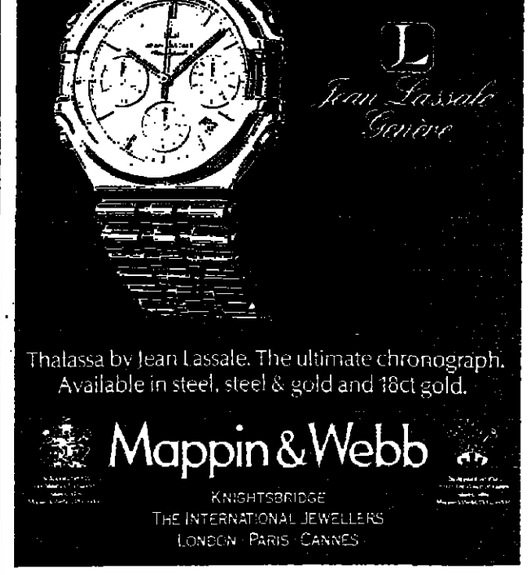


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# An American Crisis

## What Needs Knowing

Six weeks into the Iran-contra crisis, the public remains adrift with only scattered facts to grasp in a sea of questions. They are pressing questions. The crisis arises not because of a partisan desire to punish the president but because of the widest fears that leadership and orderly governmental process have broken down.

What is known suggests enormous misjudgments; the justifications remain clothed in silence, or partial explanation. What is known suggests arrogance about obeying the rules; the background still hides who decided what. The facts at hand suggest violations of law: it is not possible to discern whether they were willful.

One way to understand the story so far is to organize the facts around the gaps and then to judge what needs to be known about the Reagan administration's policies concerning Iran, covert war in Nicaragua, hostages and terror, congressional involvement in foreign affairs and, ultimately, presidential responsibility.

□

The administration made contact with Iran through intermediaries at a wrenching time. Officials had information about Iranian complicity in terrorist incidents in the Middle East in which Americans were killed or taken hostage. Yet officials who fully understand Iran's extraordinary geopolitical importance began receiving reports that "moderates" there wanted to improve relations with Washington.

No one would cavil at exploring such feelers with great care. There are few signs of care. Was there hard evidence of Iranian involvement in the terrorist moves? Was there a real basis for believing that the "moderates" actually wanted to curtail terrorism and enhance ties? Exactly what was the logic behind the idea that selling arms to an extremist regime would help "moderates"? Or were they seeking arms only to break open the Iran-Iraq war? The known facts make the administration's conduct look alarmingly casual and shallow.

Strengthening Iranian moderates and freeing hostages are goals that America shared with Israel. The CIA and Robert McFarlane, then the national security adviser, pressed for action. Israel began shipping U.S.-made weapons and spare parts to Iran. Conversations with Iranians turned to an arms-for-hostages deal. The Israelis made at least two shipments in 1985. One hostage was released in September.

Did the administration recognize that, once exposed, this arrangement would contradict its every denunciation of Iran and terrorism? There might have been yet another contradiction depending on what kind of arms were sent. Quantity and quality could have emboldened Iran to fight harder in the war against Iraq.

Even if these considerations caused no hesitation, why didn't the law? Estimates of Israeli arms sales to Iran in 1985 range from $12 million to $1 billion. U.S. law requires that Congress be notified for sales over $14 million. Did President Reagan specifically approve these transactions, as Mr. McFarlane and the Israelis say, or not, as Attorney General Edwin Meese claims? The question reverberates. The answer is important not as some smoking gun but because it can show whether Mr. Reagan was in charge at the beginning or whether the policy machinery was already out of control.

Last December the administration withdrew whatever approval it had given to the arms sales. A month later, over the objections of Secretary of State George Shultz and Defense Secretary Caspar Weinberger, President Reagan directed the CIA to exchange more arms for hostages. Large quantities of anti-tank and anti-aircraft missiles were sold, at a huge profit. More hostages were released — and more taken.

The perils of this policy were vastly magnified, meanwhile, when Oliver North, an aide to John Poindexter, the new national security adviser, used the profits, deposited in a CIA Swiss bank account, to buy arms for the contra rebels in Nicaragua. What, if anything, did Mr. Weinberger and Mr. Shultz know of the sales to Iran this year, even while they continued to inveigh against any such acts? Why did not others who knew in one way or another raise objections or tell the president the truth?

Apparently at Iranian instance, a Lebanese magazine revealed the Iran deals on Nov. 3. Mr. Meese investigated, and he and the president disclosed pieces of the story. Even at that point, President Reagan spoke of only one planeload of arms. Was he still unaware of how much more was shipped, and, if so, who misinformed him?

The truth now known already stings. The rest needs to be known. If, as reported, Mr. Reagan decided against notifying Congress of the covert arms shipments to Iran, was he violating statute? The question bears on the administration's larger attitude toward the law. Perhaps it felt that it could imperiously disregard not just the law but its own past policy statements as well.

What makes these questions so troubling is the possibility that the president truly did not know what was happening, and that subordinates felt free to take such actions on their own authority. If similar failures are to be averted, such shortcomings of policy, process and people have to be uncovered. One way or another, the public and the president need to know, so we can once again trust and he can once again lead.

## How Best to Find Out

There may have been a moment when President Reagan could have cut to the heart of the crisis. A close friend, Paul Laxalt, urged him to do it. So did a not so close friend, Jimmy Carter. So did others, saying: Summon the people who should know into the Oval Office, interview them and then tell the public. That bold approach could have cleared the air instantly.

It would have put the emphasis on correcting error rather than on dodging blame. And it would have spared loyal aides the pain of pleading the Fifth Amendment. The public, after all, is much more interested in quickly getting to the bottom of the crisis than in assiduously hounding aides for too much zeal. That the president did not pursue this course opens its own questions.

Even if he should now pursue this course, as he reportedly is contemplating, weeks have gone by. President and nation now confront tiers of inquiries, including Mr. Reagan's panel to examine his National Security Council staff. Both houses of Congress will inquire into policy. An independent counsel will soon be named to pursue possible criminality. It is a slower, more laborious course. More searching, it may also end up the wiser course.

At first blush, the fact-finding task of Congress seems at odds with the criminal investigation of the independent counsel. Already Vice Admiral Poindexter and Lieutenant Colonel North, and two NSC staff members, have refused to testify, on the wholly realistic grounds that the independent counsel might find their testimony incriminating. That impediment to gaining evidence can be more than compensated for by cooperation among the counsel and the two congressional select committees that are scheduled to convene next month.

The Watergate special prosecutor often clashed with Senate investigators, yet it was at a congressional hearing that Alexander Butterfield, a White House aide, first disclosed the Nixon tapes that gave critical evidence to both prosecutor and Congress.

It is unfortunate that the Senate and the House will not consolidate their efforts. But Congress has plenty of license to investigate. There will be televised sensations and there will be leaks, but there are checks on abuses. One is that Democrats seem to sense how little the public wants to bring down another president.

To his credit, Mr. Meese moved quickly to apply for a court-appointed independent counsel once he realized that crimes might have been committed. Whether he realized it soon enough remains a question. For all his pride in being the top cop, he let both the colonel and the admiral retain access to their papers, perhaps even destroy some, while he lumbered through the evidence.

Mr. Meese's application for the independent counsel again vindicates the independent counsel section of the 1978 Ethics in Government Act. It is a law this administration wanted to repeal as an invasion of executive power. Instead, Congress wisely fine-tuned it in 1982, providing the very grounds that Mr. Meese cited for taking himself out of this case: that for him to do the investigating "may result in a personal, financial or political conflict of interest."

But Mr. Meese has failed to recognize the extent of his "political conflict of interest." His application fails to ask the court to include other aspects of possibly illegal contra aid in the independent counsel's charter. The court should broaden the mandate. Mr. Meese correctly challenges the court to choose a counsel of breadth and skill commensurate with questions of "unusual sensitivity, complexity and importance."

Admiral Poindexter and Colonel North took the Fifth last week in a sad and misunderstood spectacle. Neither witness is immune from prosecution but each has the right not to be convicted on his compelled testimony. Only after that right is claimed can a congressional committee or a grand jury obtain a court order to testify under limited immunity. Claiming the privilege, odious as it was to many, was thus a necessary step. Witnesses need a sense that Congress and the independent counsel both mean business. The tools of the prosecutor can supplement the questions of Congress.

No rush to accuse, acquit or immunize will make the truth emerge any faster. Most people want to get it all out, and over with, but not before learning what "it" is. Was Congress deceived or merely circumvented? Is there a legislative draftsman who can devise checks against future abuses? It could have reassured the public to have quick answers. It will reassure the public to have painstaking ones.

*— THE NEW YORK TIMES.*

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# OPINION

## To Recover, Reagan Has to Come Clean

**By Senator Ernest F. Hollings**

*The writer is a Democrat from South Carolina.*

WASHINGTON — Like a grade B Hollywood remake, the arms-for-hostages deal is rapidly degenerating into President Reagan's Watergate. It recalls the adage that historical phenomena happen twice, the first time as tragedy and the second as farce.

The trouble is, nobody is laughing anymore. What started as a grade B remake has now evolved into a first class scandal.

However, this crisis need not destroy the administration. Since taking office in 1981, Mr. Reagan has restored the presidency to authority and pre-eminence. The people have genuine affection for him. They trust him. To maintain that high standing, he must, as he himself has said, "fully inform" the nation about the environment he created in which this escapade was hatched.

No, I am not talking about cashiering Donald Regan or reining in the National Security Council. Those actions are necessary, but they fail to tackle the core problem: the mortal blow dealt to the president's credibility and standing.

The fact is that the vast majority of the American people do not believe that the president is telling the full truth about his knowledge and involvement. As with Watergate 12 years ago, what hurts most is not the violation of laws but the wanton betrayal of trust.

The president's plea of ignorance stands on two increasingly wobbly legs. The first is "plausible deniability," a standard ingredient of any illegal covert operation. Unfortunately, as Senator Bob Dole has observed, not even Ripley of "Believe It or Not" could believe that Lieutenant Colonel Oliver North and Vice Admiral John Poindexter, schooled in obedience and loyal to the chain of command, acted without higher authority, indeed, without the highest authority.

The second line of the president's defense is the widespread impression that he is laid back and poorly informed about his administration's activities. True, he may be indifferent to 95 percent of them. But he has engaged passionately in the remaining 5 percent, and at the top of that personal Reagan agenda are the contras and the Beirut hostages. It is inconceivable that Admiral Poindexter's daily briefings with Mr. Reagan would not include detailed updates on the president's pet project, assisting the contras.

The truth will out. The only question is whether it will be volunteered or extracted.

The president has retreated to his bunker. Colonel North and Admiral Poindexter, two fine officers, have dutifully fallen on their swords by taking the Fifth Amendment to protect their commander in chief. But the rest of the White House is leaking like a colander.

Lesson number one of freshman politics is that when you have damaging information that inevitably is going to come to light, you take the initiative and reveal it yourself with the appropriate "spin." Ignoring this dictum, the president has opted to let the truth leak out in a slow drip — a Chinese water torture that is eroding his popularity and power. He must halt the slide.

He cannot acknowledge "full responsibility" and call in the FBI and special counsel to catch the criminal while at the same time giving farewell parties to the accused and calling them national heroes. He must lay bare the unvarnished facts about his administration's dealings with Iran and the contras. This will prevent paralysis of the government and allow him to move decisively to reconstitute and restore his presidency. Who doubts that Congress and the American people would respond positively to such a decisive act of candor?

*The New York Times.*

## Two Men Hold the Key

THE Iran arms sale controversy threatens to keep the country bogged down for months. The president's credibility is being challenged. Even members of Congress, who ought to know better, are expressing totally unfounded "inferences" of presidential involvement. We have to get all the facts out now, so that we — the president, Congress, the people — can settle this issue and get on with the nation's business.

Two men hold the key. They are men of unquestioned patriotism and courage. They have the right, like any citizen, to utilize the protections of our Constitution and laws. But they are in the position to do something decisive to help the country out of the current predicament. They alone can reveal, now and not after months of investigation, what we need to know: who authorized what, and when; who knew what, and when; and above all, whether the president did or authorized anything illegal or improper.

The country must always come first. It is time for them — or anyone else still in the administration who knows anything about this affair — to go to the president and tell him everything.

I know Ronald Reagan; the American people trust him. When he has all the facts, he will re-establish the administration's credibility by doing what has to be done.

*— From a letter to The Washington Post — by Bob Dole, the Kansas Republican and leader of the outgoing Senate majority.*

## Advice to North From a Man Who Ought to Know

**By John R. Stockwell**

*The writer is a former marine who spent 13 years in the CIA as a paramilitary specialist in operations involving the Congo, Vietnam and Angola. He described the Angolan operations in a book published in 1978.*

ELGIN, Texas — There is only one course of action for Lieutenant Colonel Oliver North. He must stop listening to attorneys and politicians and tell the truth before Congress. Yes, he must do this at full risk of self-incrimination.

Perhaps I am one of the few who have the right to offer such advice.

In 1975, as a paramilitary specialist for the CIA, I sat in on 177 meetings of a subcommittee of the National Security Council as the coordinator of the Angolan secret war. My title was "Chief of the Angola Task Force." Like Colonel North, I flew abroad to coordinate covert policies. I supervised the movements of arms through Israel and the opening of Swiss and German bank accounts to funnel money to our clients. I ran a disinformation program, hired mercenaries and dealt with terrorists.

Like the Iran-contra operation, there were questions about the legality of our activities, and we had to consider the possibility of indictment. We had delivered arms to South African forces in Angola, encouraged the recruiting of mercenaries in America and misled congressional committees in violation of the Hughes-Ryan Amendment requiring the executive to inform Congress of covert activities.

To cover up our activities, high CIA and State Department officials gave false testimony to congressional committees, seemingly a matter of perjury in which I might have been accused of conspiracy.

We begged Congress "not to jiggle the hand of the surgeon" during the Angolan operation. Once the activity was terminated, some files were purged to inhibit any investigating committee from obtaining proof of our illegal activities.

Unlike Colonel North, I refused to plead the Fifth Amendment when testifying for several days before the Senate Intelligence Oversight Committee and committees of the House in 1977. Instead I chose to tell the full truth at the risk of self-incrimination and indictment.

I took that course for several reasons. One, I doubted that any jury in the land would be likely to convict a decorated officer for conscientiously implementing a foreign policy that had been ordered and approved by members of the National Security Council, however misguided the policy.

Second, I had serious misgivings about what we had done and how we had done it. Airing those mistakes to Congress and to the public seemed the best way for the nation to learn from them.

My third reason was that I sincerely believed in the American system of government. True, it lurches and careens about the world, sometimes making hard-to-forgive mistakes. Without question, the men and women in office are fallible and occasionally corrupt. It is always possible that some of them may even not have the best of intentions. Crimes sometimes go unpunished, and some injustices take years, decades, even a century or two (in the case of slavery and civil rights) to be corrected. But the balance of power that the founding fathers so brilliantly contrived has nevertheless functioned like a gyroscope to keep America from plunging irretrievably into anarchy or despotism.

Congress has the responsibility to oversee activities like Colonel North's and mine. If I believed in the system, I had to answer the committee's questions. It was a matter of pride and honor. My attorneys advised me of the Fifth Amendment, but the decision was mine. In the end, Congress and the Justice Department did not indict us, and I was twice vindicated.

Obviously, there are differences between Colonel North's operations and my own. The Reagan team, of which Colonel North was the running back, went much further than we did in the scope of their activities. And while our results in Angola were less than brilliant, we were professionals at the covert game and structured to play it. Colonel North and the National Security Council were not.

Whatever happens in the current investigation, Colonel North is not likely to be viewed with pride by other marines. I note this as a former Marine Corps officer. The generals he apparently pushed around are not likely to forget if he ever goes back into the ranks. While his questionable activities were conducted in civilian clothes, he chose to testify before the House Foreign Affairs Committee in full uniform. Pleading the Fifth Amendment and transparent appeals for sympathy were insults to that uniform.

If it turns out that Iran helped finance the 1983 bombing of the marine barracks in Beirut, there may be nothing he can do to satisfy his fellow marines, active or retired.

If he stops hiding behind his rights, truthfully answers questions and volunteers to take his punishment if necessary, he would at least reaffirm his commitment to the American system of government.

*The New York Times.*

## The UN Population Fund Needs America's Help

**By Rafael M. Salas**

*The writer is executive director of the United Nations Fund for Population Activities.*

NEW YORK — United Nations members — developed and developing countries representing the spectrum of political and religious thought — last month pledged a record of nearly $140 million in 1987 contributions to the UN Fund for Population Activities. The United States, which for 17 years had been the largest contributor, was conspicuously absent from the list of donors.

The U.S. Agency for International Development announced in August that it would not participate. It claimed that the fund "supports or participates in the management of a program of coercive abortion or involuntary sterilization" in China.

By withdrawing, the United States has abandoned its leadership in an area of technical aid that it helped found. The lack of its contribution will hurt population programs that the fund supports in 134 countries.

The Agency for International Development's allegation is unfounded. Ironically, after two separate reviews of the fund's family planning assistance, AID itself concluded that the fund "does not include coercive abortion or involuntary sterilization" in its program in China or anywhere else. Moreover, the program in China has been approved twice by the fund's governing council, of which the United States is a member.

The fund does not, in policy or practice, support abortion anywhere. Coercion is at odds with the principles and purposes of United Nations family planning efforts. The fund is explicitly charged with helping countries provide the information and means for every individual and couple to decide freely on the number and spacing of children.

The fund's assistance to China has included technical support for its 1982 census (the largest population enumeration in history), contraceptive supplies, administrative training and education of the population. At about $10 million annually, the fund's program amounts to less than 1 percent of the $1 billion that China devotes to its population efforts.

Even if the fund's support amounted to a much larger proportion of the national program, as it does in many developing countries, the fund is not equipped, legally or otherwise, to participate in managing any country's program. It closely monitors the outlays of money it provides, but program management is solely the recipient government's prerogative.

Last month's financial show of support reaffirms the international community's recognition of the strategic role of population planning in development. However, even the nearly $140 million pledged for next year falls far short of what the organization needs to meet the developing countries' aid requirements.

Not long ago, the plight of drought-afflicted sub-Saharan African countries, where starvation was widespread, made headlines. Generous efforts and timely rains have mitigated the great suffering for now. But without sustained long-term action, a repetition of the disasters is inevitable. Throughout Africa, it is finally acknowledged that long-term answers must include attention to population growth, which is well above 3 percent annually in many countries. A U.S. contribution would allow the fund to respond more adequately to increasing African needs.

The fund does not advocate any single approach to population problems. It helps all developing countries irrespective of whether they have policies for the increase or decrease of fertility. To help countries reach their own goals, the fund provides support for family planning, including natural family planning; mother and child health care; research for safer, more effective contraceptive methods; education on population issues; census-taking and data analysis.

The fund's many successes should be put in perspective: By mid-1987 the world's population will reach five billion; it will reach six billion before the end of the century.

American vision and support helped launch the United Nations population assistance program 17 years ago. Some of today's controversies will fade, but the need for global efforts to address population problems will never be more urgent or more timely. Population programs can be made more effective with full participation by the United States.

*The New York Times.*

## LETTERS TO THE EDITOR

### Moslems and Moslems

How are your non-Moslem readers to understand events in the Moslem-populated areas if you fail to distinguish between Sunni and Shiite, or fundamentalist and rejectionist? Articles related to President Reagan's Iran arms fiasco — for example, "Saudis Said to Send Oil to Iran Using U.S. Shippers" *(Nov. 24)* — portray the Gulf Arab states as fearing Islamic fundamentalist expansion. Yet most of those states are already quite fundamentalist.

Nevertheless, they do not currently share Iran's or Libya's rejectionism of relations with the West. And they are largely Sunni. Thus they might well be concerned about Persian or Shiite expansionism.

Gulf residents are well aware of these important distinctions, but what of the rest of your readers?

S.T. ABDUL KADER.
Manama, Bahrain.

### Help Christians, Too

Elizabeth Ottestad's criticism *(Letters, Dec. 5)* of the Fondation de France is not acceptable.

Aid from Caritas, the Vatican relief agency, is split in equal parts among Moslems and Christians, but Lebanese Christians get nothing from the billions sent by the Moslem world. The first word in the letter's heading should be changed to make it read, "Christians Need Help, Too."

What counts most is to send help, and no matter to whom.

EDDIE GEORGE.
Neuilly-sur-Seine, France.

## Jaruzelski Criticizes The People

**By Jim Hoagland**

WARSAW — Two mountain climbers, the story goes, are nearing the summit of the highest peak in Poland when one slips and falls off. After a long, dread-filled pause, the remaining climber shouts down into the chasm, "Are you still alive?" "Yes," drifts back the answer, "but I'm also still falling."

So it is with Poland at the end of the fifth year of the "soft" dictatorship of Wojciech Jaruzelski. The spirit of resistance that gave birth to the Solidarity union movement lives on in an active and potent underground, but Eastern Europe's most vital nation keeps falling, its politics stalemated and its economy moribund.

Despite the spirit-crushing imposition of martial law and the outlawing of Solidarity on Dec. 13, 1981, the general in dark glasses has been able to impose neither himself nor his "Socialist Renewal" plan of austerity and limited political consultation.

Many Polish intellectuals act today, British writer Timothy Garton Ash has observed, as if true communism had arrived and the state had withered away. Despite censorship, underground publications probably exceed officially sanctioned output.

General Jaruzelski's tactic of alternating waves of political arrests with amnesties has left him an ambiguous figure at home. He continues to stir debate among Poles over whether he is a Polish patriot acting to prevent a bloody Soviet invasion or a Soviet stooge doing Moscow's dirty work. As the stalemate deepens and his on-again, off-again measures proliferate, the suspicion grows here that he is a mixture of both, interested primarily in preserving the Polish army as an institution and willing to let Moscow have its way on ideology.

A senior Jaruzelski aide recounts that when the Polish leader met Deng Xiaoping in Beijing this autumn, the two spoke of the "Cultural Revolutions" that had so damaged their countries. It is a telling comment on the general's profound misreading of the social turmoil and political currents that sweep his nation.

The Solidarity uprising, a mass assault on the Communist Party, sparked a cultural renaissance in which Poles proudly rediscovered a recent past that the authorities sought to distort or repress; the people published their own books and newspapers. China's Cultural Revolution was the opposite, a party-directed mob assault on the people and particularly on intellectuals and knowledge. Books were burned.

General Jaruzelski's "Socialist Renewal" is akin to Mikhail Gorbachev's call for greater efficiency and more discipline in the Soviet Union. In both instances, the leadership criticizes the people rather than vice versa. Workers are chastised for drinking or being slothful, ministries for being inefficient. Mr. Gorbachev and General Jaruzelski, unlike Mr. Deng, demand improvements but are not out to fundamentally reform the system. They do not seem prepared to deal with the deep cynicism that the system has instilled.

This is likely to leave the general stuck in a political and economic dead end for the foreseeable future. And continuation of two of the U.S. sanctions imposed at the time of the crackdown on Solidarity enables him to try to pin the blame for Poland's economic woes on America.

It is time for the Reagan administration to deprive him of that excuse and leave him to stew in his own juice, by lifting the ban on most-favored-nation trading status and on Export-Import Bank credits. Warsaw clearly hopes that this would open the way to IMF credits that would temporarily relieve some features of the economic morass here.

Imposing sanctions at the time of the crackdown undoubtedly helped moderate the extent of the ensuing repression. It is hard to believe that General Jaruzelski would have granted September's full amnesty without some hope that Washington would in return lift the last two sanctions.

By the same token, leaving the two symbolic sanctions in place reduces his incentives for not rearresting the political prisoners he has released. And it sends a message to Europe that you can keep MFN status by being as repressive as Romania, if you voice disagreement with Moscow on some foreign policy issues.

A recommendation to lift the sanctions reportedly has been at the White House for several weeks. The Christmas season is a perfect moment for the Reagan administration to emphasize that its action reflects full faith in the people of Poland, not the government. It is worth putting aside the Iran-contra scandal long enough to deal with this opportunity.

*The Washington Post.*

## IN OUR PAGES, 75 AND 50 YEARS AGO

### 1911: Chinese Republic

SHANGHAI — After a conference between the revolutionary leaders [on Dec. 14], a republican government was decided upon and will be proclaimed with Dr. Sun-Yat-Sen as President and Nanking as the capital. It was decided that, as there are no prospects of peace at the coming peace conference in Shanghai unless Yuan-Shih-Kai, the imperial army's leader, abandons his idea of retaining a monarchy, preparations to attack Peking should continue.

SINGAPORE — Sun-Yat-Sen arrived at Penang on his way to China [from Britain]. He is guarded from the Chinese who crowd around.

PARIS — [A Herald editorial says]: "Chinese revolutionary leaders in the South have resolved to proclaim a republic. Real republics are not created in such summary fashion."

### 1936: Chang's Terms

SHANGHAI — Replying to Marshal Chang Hsueh-liang's revolt and his capture of Marshal Chiang Kai-shek, the Nanking government [on Dec. 14] concentrated considerable forces in the north of Honan Province with orders to march on Sianfu, center of the insurrection, if Chang's rebels refuse to submit. General Ho Ying-ching, the Nanking Minister of War, telegraphed Chang telling him that no negotiations can be engaged until Chiang is released. In his reply, Chang said that the release was subject to Nanking approval of eight demands, among them: cessation of the movement for the extermination of the Red armies; admission of Communists to the Kuomintang; China shall conclude an alliance with Soviet Russia; China shall conduct armed resistance against Japan.

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# INSIGHTS

# One Newspaperman's Education

## How a 12½-Foot-Tall Cop Introduced A Cub Reporter to First Amendment

*(Editor's note: A.M. Rosenthal, associate editor of The New York Times, has been with that company for 40 years. He retired in November as executive editor, a position he held since 1977. As a foreign correspondent he became acquainted with the sound of mortar fire in Saigon, wandered through Pakistan, Afghanistan and Nepal, and experienced the rubble and nightmares of Poland after it had been nearly destroyed by the Nazis. And as he did so, Mr. Rosenthal became increasingly impressed by the unique quality of freedom in the United States. In this excerpt from the Dec. 14 issue of The New York Times Magazine, Mr. Rosenthal reminisces about his many years in the field.)*

By A.M. Rosenthal

NEW YORK — I have been thinking a lot about something that happened to me when I was The Times's correspondent in India, long ago just yesterday. I had been based in New Delhi for some time and, feeling full of India and myself, went in one day to talk to the prime minister, Jawaharlal Nehru, a man I admired a great deal. Smart and sassy, I asked him a question about a sensitive subject, India's occupation of Kashmir. I wanted to goad him a little and I succeeded. It didn't take much; this man of intellect and power was a sensitive fellow. He looked at me, jumped up, smacked his bald pate in magnificent irritation and shouted, "Rosenthal, you have been in this country for four years and you have not learned one damned thing yet!"

I was a reporter for about 20 years, then an editor for about 20 and, now that I am about to start writing again for a living, I've been thinking. I've been a newspaperman for more than 40 years, and have I learned one damned thing yet?

I've decided that yes, I have indeed learned a few things. Some had to do with newspapering, some with the world; a couple were about flowers, a few about The Times and one or two about myself. All told, eight or nine things or roughly one every five years, which is not too bad when you think about it.

The very first day I was on the job as a reporter — a real reporter with a press card in my pocket and a light in my heart — I learned all about the First Amendment. It was a Saturday and I was sitting in The Times' newsroom when an assistant city editor walked over, told me there had been a murder or a suicide at the Mayflower Hotel in midtown and why didn't I go over and see what it was all about. Yes, sir!

I rushed out, jumped on a bus, got to the hotel, asked an elevator operator where the trouble was. Ninth floor, he told me, and up I went. A push of the buzzer and the door opened. Standing there was a police detective. He was 12½ feet tall. I started to walk in and he put his hand into my face. That hand was just a bit larger than a basketball.

"Where are you going, kid?" he said.

"I'm a reporter," I said. "Times. I want to see the body."

He looked at me up and down, slowly. "Beat it," he proposed.

Beat it? I hadn't realized anybody talked to Times reporters that way. I knew there had to be some misunderstanding. So I smiled, pulled out my press card and showed it to him. He took it, read it carefully front and back, handed it back and said: "Shove it in your ear."

Shove it in my ear? I could not comprehend what was taking place. "But I'm from The Times," I explained. "A reporter from The New York Times. Don't you want me to get the story right?"

"Listen, Four Eyes," he said, "I don't care if you drop dead." Then he slammed the door in my face and there I stood, staring at that door.

**'About 10 years ago I first put a plant in soil, and gardening seized me. I have learned that if you plant flowers you see the world more clearly.'**

Right there at the Mayflower I learned my first lesson about the First Amendment. The First Amendment means I have the right to ask anybody any question I wish. And anybody has the right to tell me to shove it in my ear.

What the newspaper business meant to me then, and mostly still does, was the delight of discovery, the exhilaration of writing a story and the quick gratification of seeing it in the paper; ink, ink, ink, even if it does rub off on your fingers just a tiny bit.

After a couple of years I got my first byline on a story, a masterpiece of journalism about a battleship returning to New York whose lead I can still recite word for word and, as friends and family can attest, often do. Masterpiece.

THEN I was assigned to The Times' brand-new United Nations bureau at the brand-new United Nations to help out for a couple of weeks. I managed to stay rather longer — nine years.

Four Eyes strolled happily in the corridors of power, pausing for a chat here with Gromyko, a quip with Adlai Stevenson, a cup of tea with Eleanor Roosevelt, dispensing a word of advice to the British, a gesture of succor to the Yugoslavs, now and then a stern word to the Ukrainians, a supportive clap on the back to the Indonesians, still enslaved by the fierce Dutch.

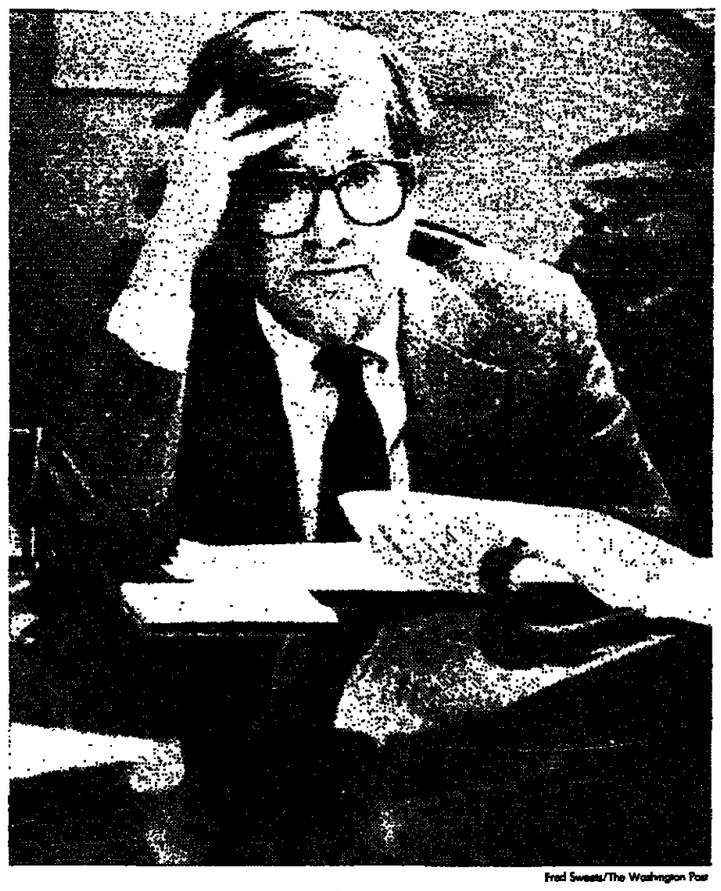
There I learned, most lastingly, that there is a secret agreement between the United States and the Soviet Union, revealed here for the first time. It is a simple but lucid treaty holding that when one side does something particularly fatheaded and self-destructive the other will respond by shooting itself in the foot within a period of from 17 to 30 days. Amid all the broken agreements and smashed promises, this particular understanding has never been violated, which should be warming and buoying to us all.

India then — four years of living, traveling, looking, writing India. Those four years I wandered in Pakistan too, and in Afghanistan and Nepal. For the first time in my life, in Saigon, I heard mortar fire and thought I might die in fear under a table on the Boulevard Gallieni.

I saw Rangoon, Burma, and the deep hidden lakes of New Guinea and I saw the running down of the British flag in Kuala Lumpur, Malaysia, and the Dutch flag in Hollandia, Indonesia.

Oh, but it was mostly India, India where friends became friends for life, where I saw poverty that burned my eyes, but where I also saw a fierce endeavor to change it, if only a bit. And in a political sense, too, India was my home. It was there that I saw a nation being built on a belief that I felt to be true and of the utmost importance to all who held freedom dear — that economic progress could be achieved in political liberty in the poorest of nations, and that despotism was a stick with which to beat the poor and not a system to lift them.

Then Poland, almost but not entirely destroyed by the Germans; rubble, nightmares, a terrible bruise of a nation, almost but not entirely silenced by the Communists. Poland, where I was sickened by the government but whose people taught me once and always that there are nations that will bleed and die and bleed again, and again, forever, to breathe free; not all nations and peoples, just some, may they be praised.



Fred Sweets/The Washington Post

A.M. Rosenthal: "I am not a philosopher."

THEN a year in Geneva. It was a city so crushingly boring journalistically that I stunned the foreign desk in New York by making an offer, instantly accepted, to cover the madhouse war in the Congo for a while.

Two lovely years in Japan then, made entrancing by the realization that, unlike the Poles and the Indians, the Japanese really did not need me to worry about them. They were making money, making love, jumping ahead economically like jolly frogs, paying hardly a nickel for their own defense.

To my astonishment, a sweet-talking, sweet-hearted Mississippian named Turner Catledge, the managing editor of The Times, carted me off from my steambath in Tokyo to become metropolitan editor. All I had wanted to do until then was to go on being a reporter abroad and after due time wind up a columnist telling the world what to do. I took the job figuring it would be an interesting experience — and that after a few years I would get my reward and become a columnist.

Sure enough, it was an interesting experience being metropolitan editor of The Times, in precisely the same way as being simmered in a saucepan for a few years is terribly interesting. And sure enough, I am about to give the world lucid instructions in a column, although it did take roughly a quarter of a century longer than I had anticipated.

I learned this and that during my editing years. I learned that the world is not simply a dirty little conspiracy as the vendettists of the far left and far right love to announce because it affords the delicious shivers of hatred. I learned that news is not a baseball game played in innings. I learned never to move a person's chair without expecting trouble, because people really detest unexpected change, and that there is no such thing as a no-cal corned-beef sandwich.

And mostly I learned — and relearned and relearned day after day — what it was about this country that meant so much to me and where I stood politically and what I believed. A lot of it went back in a way to that police detective standing in the doorway of the Mayflower Hotel — he could tell me to shove my questions in my ear, but in this country I didn't have to. In this country, not in many others.

*Not long ago a German magazine writer* came to my office to interview me and asked what it was like to be a member of the Ruling Elite of the United States; that is what the man said. I told him that it did not feel an awful lot different from when I was eating ketchup sandwiches at college.

I tried to explain myself to him; myself, not this roundish man sitting in a fine study behind a great office, whom he had classified in advance as a member of the Ruling Elite, subspecies journalist.

I told him about my father, a Jewish farmer born in Russia who had emigrated to Canada because he loathed czarism; for the rest of his life he regarded Bolshevism and the Soviet government as just another manifestation of Russia's history of despotism. Poor man, somehow he could not see the fine distinctions.

My father loved Canada, adored the years farming, fur trading in northern reaches. But he could not make a living there, so he and my mother brought their brood (five bright and zestful daughters and me, the youngest) to the United States, got a job as a housepainter, fell off a scaffold and died when I was 13. My mother lived long. But she saw four of the girls die, one by one, in their young womanhood. This drained her strong soul.

I went to the City College of New York. It was tough, free and excellent, and had all the social cachet of poison ivy. I told the writer from Germany this, and that I got a job as a reporter on The Times not despite the fact that I had gone to City College but because of it.

The gentleman from Bonn said that was interesting but how did I feel about being a member of the Ruling Elite. Great, I told him, just great, goodbye.

There is a clear-line connection in all this — the cop, the right to ask, be refused, ask again, to write and speak — to the fact that I got to work for and become part of The Times, and what I feel and where I stand. It is a connection of emotion, sentiment, yearning, belief — all things that are not nebulous but the very essence of a person's reality.

I suppose that what it all adds up to is that the freedom to write and the freedom to think and speak what I think is as important to me as air because I know that with them, living in the grace of liberty in this country, I can achieve whatever I am capable of achieving. What is just as important, I can realize that whatever I fail to achieve or to create is my own fault, the result of my own shortcomings and not traceable to imposed restrictions and limits.

I am against all restrictions on freedom of the printed word, against laws on obscenity, pornography, national security. I do accept libel laws, narrowly interpreted, as appropriate redress for the private person and I know that may be a philosophic inconsistency. So I am not a philosopher.

And as I have traveled around the world as a foreign correspondent and as an editor, another conviction has been built into me: If freedom is important to me it is important to all others — or at least they should be given a chance to say they really would prefer a government built on gulags and re-education camps.

That sounds fairly innocuous, doesn't it? But it keeps getting me into trouble. Because I am sick at heart and soul when I find Americans living under the sweet blessings of freedom *deciding that tyranny is quite good enough for* others. Then I say so and I get into fights with the admirers of Castro and the admirers of Pinochet, and those who make excuses for a Korean dictator and those who make excuses for racists of the first, second and third worlds. I usually say so and sometimes the result is that I am attacked in print, would you believe it? It is at times like that I feel rather close to the cop at the Mayflower.

On flowers — it wasn't until about 10 years ago that I first put a plant in soil, and gardening seized me. I have learned that if you plant flowers you see the world more clearly. I don't know why. As I said, I am not a philosopher.

So that is what I have learned in 40 years as a reporter and editor. I expect to write a column for another 40 years and then I will be back to fill everybody in on what else I have discovered.

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*(This article has been excerpted from The New York Times Magazine.)*

## General News

# Pretoria's Curbs Assailed by Left and Right

By Alan Cowell
*New York Times Service*

JOHANNESBURG — South Africa's latest tightening of emergency rules, which includes stringent censorship, has been sharply criticized by the government's white adversaries on its left and its right.

A white opposition leader, Colin Eglin, described President Pieter W. Botha's justification of the measures as unconvincing, and rightist white leaders said the South African leader was electioneering.

At the same time, the authorities, exercising new powers to prevent the dissemination of information deemed hostile, denied clearance for the South African Press Association, an independent news agency owned by major newspaper groups, to publish a statement by the United Democratic Front, the largest non-parliamentary opposition movement in the country.

The statement, issued by the agency with a warning to subscribers that it might contravene emergency laws, and then retracted at official behest, described the newest stiffening of emergency powers as "clearly aimed" at some of the United Democratic Front's anti-apartheid campaigns.

*South Africa has severely restricted the reporting of unrest or dissent. Correspondents may be fined or imprisoned for failing to submit to censors articles that contravene regulations.*

The organization, which says it has a following of two million among 600 affiliated organizations, had sponsored campaigns for nationwide resistance to apartheid and for what was called a "Christmas against the emergency."

The Christmas campaign included calls for a consumer boycott to display displeasure at the nation's newest emergency decree, imposed last June 12 to combat violence and protest that have claimed 2,300 lives since September 1984.

The newest tightening of the emergency rules, promulgated last Thursday, prohibit, among other things, reports that assess the success of politically inspired boycotts or give details of how such boycotts are organized.

Mr. Botha said on national television Friday night that the latest measures, which broaden the definition of subversion and further empower the authorities to stifle news, were needed to combat a terror campaign by the outlawed and exiled African National Congress, which seeks to overthrow the government.

Mr. Eglin, the white opposition leader, said that "one must, of course, take seriously the allegations of plans for violence and terror."

"However," he said, "the attempt to use this as justification for the clampdown on the press is one of the most unconvincing red herrings I've heard from a political leader in many years."

Jaap Marais, leader of the extreme rightist Reconstituted National Party, said, "I suspect Mr. Botha's speech was more to do with boosting the government's image in advance of an election rather than the security situation."

A spokesman for the rightist Conservative Party said Mr. Botha's speech "looked to me like a prelude to some political maneuver, such as byelections or a general election."

The authorities have hinted Mr. Botha may seek a new mandate from white voters next year, through a series of byelections or in a national election.

Shortly after the tightening of emergency powers, the South African authorities announced a renewed crackdown on their adversaries, and police officials said they had "swooped" on what were described as underground resistance cells.

In a statement Friday night, the kingdom of Swaziland, which is nearly surrounded by South Africa, accused South Africa of raiding its country to abduct two Swiss nationals accused by the authorities here of sympathizing with Pretoria's insurgent foes in the African National Congress.

The Swazi authorities said the raiders abducted four persons and killed two others.

[The two Swiss citizens, Daniel Schneider, 29, a commercial artist, and his fiancée, Corinne Bischof, 25, were returned unharmed to Swaziland on Sunday, Reuters reported from Mbabane, the capital.

[In announcing their release earlier in Pretoria, the South African foreign minister, R.F. Botha said: "Their detention arises from information acquired by the South African Defense Force that they were *involved in activities which would* affect South Africa's security and which justified urgent attention and counter moves by security forces.]

### ■ Shootout in Cape

A member of the outlawed African National Congress was shot to death and four blacks arrested in a shootout at a roadblock in the Cape Province, South African police said Sunday as reported by Reuters in Pretoria.

The police seized "terrorist weapons of Russian origin" — hand grenades, rifles and ammunition — an official police statement said.

Lo Kwok Kin/Reuters

Students in Beijing examined posters Sunday on reforms.

# Chinese Students Get Role in Election System

*The Associated Press*

BEIJING — Officials at a university in the Chinese provincial capital of Hefei have yielded to demands by student activists who want a role in the election of student representatives to the provincial legislature, a university official said Sunday.

Fang Lizhi, vice president of the Science and Technology University in Hefei, the capital of Anhui Province, said the university had agreed to student demands for a voice in choosing student representatives to the provincial People's Congress.

"The students' requests were very correct," he said.

In Beijing, meanwhile, students put up posters Saturday calling for democratic elections and freedom of the press.

Student sources said the activists who put up posters had been asked not to stage further demonstrations.

Mr. Fang said that more than 1,000 students at the Science and technology University held a demonstration Dec. 5. Four days later, 3,000 students from other universities in Hefei also demonstrated.

The demonstrators were unhappy about nomination procedures for candidates to the People's Congress, saying they were not consulted on the choices.

The election was scheduled for Dec. 8 but has been postponed until Dec. 29, Mr. Fang said. The university is allowing the students to nominate candidates, he said.

Under the system the students were protesting, the government said representatives to provincial people's congresses had been elected, when in fact most had been chosen because of their fame or accomplishments.

People's congresses, even on the national level, traditionally have been largely ceremonial, but there have been signs in recent years that they are taking on a more substantive role.

Students at Beijing University said a letter praising Hefei student demonstrators and signed with Mr. Fang's name was posted at the university Thursday. However, Mr. Fang denied writing the letter.

Recent student protests also have been reported in Wuhan, at a graduate school in Beijing and in *Changsha*.

The protests have followed calls in recent months by China's leaders for political reforms to make the country more democratic and facilitate economic reform.

Student sources at Beijing University had said activists hoped to touch off a nationwide movement to pressure the Communist government into implementing democratic reforms.

# Chadians Report New Libyan Attacks

*Reuters*

PARIS — Libya has launched large-scale ground and air attacks in northwestern Chad, according to former Chadian rebels.

Maina Touka, the Paris spokesman for the Popular Armed Forces of former President Goukouni Oueddei, said Saturday that Libyan bombers and ground forces had attacked the town of Wour, west of the Tibesti mountains near the border with Niger.

Until recently, Mr. Goukouni's forces were fighting along with the Libyans against the current Chadian government.

Mr. Maina said that fierce fighting was continuing, causing heavy civilian casualties. He had no further details.

The reported attack follows Libyan raids Thursday against positions held by Mr. Goukouni's men around Bardai, in the rugged foothills 80 miles (130 kilometers) east of Wour.

Mr. Maina, who said he had received radio reports from Tibesti, said that Goukouni loyalists had halted the earlier Libyan attack, shooting down one of several Soviet-built Sukhoi fighter-bombers involved in the battle.

According to the Chadian government, Libya lost 45 men in the fighting at Bardai.

Mr. Goukouni's Popular Armed Forces split with its Libyan backers in October and rallied to the side of President Hissène Habré.

Mr. Goukouni, a northerner like Mr. Habré, is now under virtual arrest in Tripoli after being injured in fighting with Libyan guards. His supporters in Tibesti are said to number from 1,500 to 3,000.

Since the split, Libya has transferred its support to another rebel group in the northwest, the Democratic Revolutionary Council of Ashelkh Ibn Oumar.

Libya denies having troops in northern Chad, but Western intelligence reports say it has about 8,000 fighters controlling the region north of the 16th parallel; the area south of that parallel is held by the government.

Mr. Habré has been beseeching France to help his forces retake the North, but Paris repeatedly has rejected any move beyond the 16th parallel, where it halted an advance by Libyan and rebel forces in 1983.

France now has 1,200 men in Chad and has sent Jaguar bombers and an air defense system to the capital, N'Djamena. Chad gained independence from France in 1960.

# Israeli Arabs Call for End To Occupation of West Bank

*Reuters*

TEL AVIV — Israeli troops wounded a Palestinian youth in the occupied West Bank as thousands of Israeli Arabs held a peaceful protest against the government's handling of recent unrest there.

The youth was hit in the head with a rubber bullet Saturday as police dispersed Palestinian activists urging shopkeepers to strike against Israeli rule in the town of Jenin, security sources said.

Meanwhile, Israeli Arabs in the town of Nazareth called for an end to the use of army gunfire to quell disturbances in the West Bank and Gaza Strip. Four Palestinians have died in the areas in the past 10 days.

Israel Radio said demonstrators carried placards calling for an end to the occupation of the territories, where 1.3 million Palestinians have lived under Israeli rule since the *1967 Middle East war.*

The killing of two Palestinian students from Bir Zeit University in the West Bank by Israeli soldiers on Dec. 4 touched off a week of unrest in the area.

### ■ Stabbing Condemned

A dozen leading Palestinians on Sunday condemned the stabbing of a 66-year-old orthodox Jew in Arab East Jerusalem while police strengthened their presence in the area, United Press International reported from Jerusalem.

A spokesman for Hadassah Hospital in Jerusalem said the condition of David Lipshitz, 66, who was stabbed in the stomach Friday by two unidentified attackers near the walled Old City, was "stable and improving."

A statement by the 12 Palestinians said, "We consider this act to directly contravene the civilized content of our legitimate Palestinian struggle to realize our just demands."

The statement said, "While we *totally reject such acts, we also de*plore attempts by the Israeli media to connect them to the Palestinian national struggle."

# Palme Investigators Question 2 Kurds

By Francis X. Clines
*New York Times Service*

STOCKHOLM — Two men identified as Kurdish political activists were arrested after a barroom shootout and questioned by the police over the weekend in their investigation into the assassination of Prime Minister Olof Palme.

There was no official word on whether the men were formal suspects in the killing or merely more of the hundreds of people who have been interrogated and released in *the nine-month manhunt.*

Unofficially, the police said the men were members of a Kurdish organization listed as a suspected terrorist group. Police officials said two members of the group, the Kurdish Workers' Party, had been convicted of homicides in recent years in Stockholm and in Uppsala.

[Police are reported to have raided homes and a café owned by Kurdish immigrants and arrested more Kurds, Reuters reported Sunday from Stockholm. Swedish radio said three Kurds were detained Saturday and questioned by the Palme investigators.]

The weekend arrests underlined the nation's agony over the shooting of Mr. Palme on Feb. 28 and the fruitless investigation.

Almost daily there are sensational stories in the press that scoop up endless rumors, errors and false leads. The intensity of the frustration was visible in recent weeks as the manhunt led to intense public bickering between detectives and the prosecutor's office.

The bickering reached the point that Justice Minister Sten Wickbom called in officials from the police and the state's attorney's office Thursday and demanded that they show greater cooperation.

The unofficial reprimand was reportedly backed by Mr. Palme's successor as prime minister, Ingvar Carlsson.

Mr. Palme was murdered by a gunman on a sidewalk in central Stockholm as he walked home with his wife from a movie theater.

Each day citizens come from the provinces to see the site and leave fresh flowers. It has become an informal national shrine.

An initial arrest was made after the February shooting. But the suspect was released for lack of evidence and eventually was cleared.

Saturday, as the two Kurds were being questioned, officials declined to comment in detail. The men, unidentified in the police report hours after their arrest, were taken into custody after a barroom incident in which shots were fired wildly at police officers.

The Kurdish Workers' Party was one of many groups reportedly investigated as detectives have tracked suspicions that Mr. Palme might have been assassinated in a political conspiracy with roots abroad.

Members of the Kurdish group reportedly resented the Palme government for having failed to extend asylum to one of their colleagues.

Hans Holmer, the Stockholm police chief who put himself in charge of the murder inquiry, said Tuesday that he remained "95 percent" certain who was responsible for the murder. As before, he did not say whom he suspected.

### Hart Arrives in Soviet Union

*United Press International*

MOSCOW — Senator Gary Hart, Democrat of Colorado and a prospective U.S. presidential candidate, arrived Sunday in Moscow at the invitation of Soviet officials, the Tass news agency said.

# 19 Youths Among Dead in Soviet Jet Crash

*Reuters*

BERLIN — Nineteen schoolchildren were among 70 persons killed when a Soviet airliner crashed in woodland near Schoenefeld Airport, the official ADN press agency in East Germany said today.

ADN said seven other children, all from a school in the northern city of Schwerin, were among the 12 persons who survived the crash Friday near East Berlin. One of them was still in critical condition, the agency said.

The aircraft, a Soviet Aeroflot airlines Tupolev 134, crashed near the village of Bohnsdorf while trying to land after a flight from the Soviet city of Minsk.

Transport Minister Otto Arndt said the dead included 60 East Germans, the nine members of the Soviet crew and an Austrian. He gave no names.

He said Soviet and East German experts were studying the flight recorder found in the wreckage of the airliner. The cause of the crash had not been determined.

Mr. Arndt said weather conditions at the airport, which is near the walled border to West Berlin, were satisfactory when the aircraft began its approach.

A large number of East German schoolchildren and students study in Minsk and many would have been heading home this month for the Christmas holidays.

ADN published a telegram from the Soviet Communist Party to the East German leader, Erich Honecker, expressing condolences.

The twin-engine Tupolev 134 is a medium-haul workhorse for both the Soviet airline and East Germany's Interflug, making regular runs throughout Eastern Europe from the East Berlin airport.

# Weekly International Bond Prices

*Provided by Credit Suisse First Boston Securities, London, Tel.: 01-623-1277.*
*Prices may vary according to market conditions and other factors.*

## Straight Bonds

### U.S. Dollars

| Amt | Security | % | Mat | Middle Price | Yield Mat | Ave Life | Curr |
|---|---|---|---|---|---|---|---|
| | **AUSTRALIA** | | | | | | |
| 100 | Australia | 11¼ | '90 Oct | 113 | 7.25 | | 9.96 |
| 60 | Australia | 8¾ | '91 Oct | 102 | 8.22 | 7.97 | 8.58 |
| 200 | Australia | 11 | '95 May | 117½ | 8.11 | | 9.39 |
| 300 | Australia | 11½ | '95 Oct | 120⅝ | 8.13 | | 9.53 |
| 100 | Australia | 11⅝ | '98 Oct | 116 | 9.33 | | 10.02 |
| 100 | Australia | 11¼ | '00 May | 116⅞ | 9.02 | | 9.63 |
| 25 | Alcan Australia | 8½ | '87 Apr | 100½ | 8.22 | | 8.46 |
| 50 | Alcoa Of Australia | 10 | '89 Jun | 100¾ | 9.68 | | 9.93 |
| 80 | Alcoa Of Australia | 11 | '92 Jul | 106½ | 9.37 | | 10.30 |
| 75 | Australian Ind Dev Co | 11 | '89 Feb | 106½ | 7.57 | | 10.33 |
| 40 | Australresms | 8 | '87 Jul | 100 | 7.86 | 7.86 | 8.00 |
| 30 | Broken Hill Pty | 8¼ | '89 Apr | 100½ | 7.77 | 7.78 | 8.21 |
| 150 | Broken Hill Pty | 14¼ | '89 May | 106¼ | 12.26 | | 14.08 |
| 100 | Broken Hill Pty | 12 | '90 Jan | 105 | 10.03 | | 11.43 |
| 100 | Broken Hill Pty | 10 | '90 May | 101¼ | 9.51 | 9.43 | 9.88 |
| 20 | Broken Hill Pty | 12 | '92 Dec | 106 | 8.68 | | 9.43 |
| 150 | Broken Hill Pty | [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] |
| 40 | Comalco Invest Europe | 10¼ | '91 Jun | 101 | 9.94 | 9.83 | 10.15 |
| 100 | Commonwealth Bk Austr | 10 | '93 Nov | 110⅞ | 7.89 | | 9.02 |
| 75 | Csr Limited | 14 | '89 Jul | 117⅛ | 8.18 | | 11.63 |
| 100 | Mount Isa Finance | 13¼ | '87 Jul | 103¼ | 6.93 | | 13.25 |
| 100 | Mount Isa Finance | 11 | '95 Dec | 110⅞ | 9.23 | | 9.95 |
| 50 | National Austr Bank | 11¼ | '90 Apr | 113 | 6.75 | | 9.96 |
| 149 | Qantas Airways | 10¼ | '95 Jul | 113¼ | 8.13 | | 9.15 |
| 97 | Qantas Airways | 8¾ | '96 Mar | 103¾ | 8.26 | | 8.32 |
| 100 | Queensland | 11⅛ | '89 Dec | 111⅛ | 7.07 | | 10.21 |
| 100 | Queensland | 8 | '91 Jun | 101¼ | 7.64 | | 7.90 |
| 100 | Queensland | 10¼ | '95 Aug | 112½ | 8.23 | | 9.14 |
| 50 | Rural Industries Bank | 12 | '91 Feb | 113 | 8.18 | | 10.62 |
| 150 | South Austr Gover Fin | 8¾ | '93 Mar | 104¼ | 7.85 | | 8.39 |
| 100 | State Bk New S Wales | 11⅛ | '90 Jun | 109½ | 8.15 | | 10.39 |
| 100 | State Bk South Austr | 10¼ | '92 Feb | 112½ | 7.80 | | 9.31 |
| 100 | State Bk South Austr | 9¼ | '93 Feb | 106⅛ | 7.89 | | 8.70 |
| 100 | State Elec Com Victor | 10 | '92 Nov | 109¾ | 7.96 | | 9.14 |
| 70 | Tnt Overseas Finance | 9 | '87 Aug | 100 | 8.48 | 8.43 | 8.95 |
| 150 | Treasury New S Wales | 11¼ | '98 Mar | 112¼ | 7.49 | | 10.47 |
| 150 | Victoria Public Autho | 11⅛ | '92 Apr | 115¼ | 7.90 | | 10.04 |
| 100 | Victoria Public Autho | 8¾ | '96 Oct | 101¼ | 8.11 | | 8.23 |
| 100 | Westpac Intl Finance | 11 | '90 May | 107⅛ | 8.34 | | 10.23 |
| | **AUSTRIA** | | | | | | |
| 150 | Austria | 15½ | '88 Mar | 111⅛ | 6.04 | | 13.95 |
| 50 | Austria | 8¾ | '90 Aug | 101½ | 8.24 | 8.21 | 8.62 |
| 100 | Austria | 13⅝ | '92 Jul | 126⅜ | 7.58 | | 10.77 |
| 200 | Austria | 11⅛ | '95 Jan | 120 | 7.87 | | 9.28 |
| 100 | Austria | 9½ | '06 Mar | 106 | 8.83 | | 8.96 |
| 150 | Austrian Control Bank | 10¾ | '90 Jun | 111⅛ | 6.96 | | 9.63 |
| 175 | Austrian Control Bank | 10 | '91 Apr | 110⅛ | 7.12 | | 9.06 |
| 52 | Austrian Control Bank | 15¼ | '92 Apr | 133 | 8.07 | | 11.73 |
| 50 | Austrian Control Bank | 12 | '96 Dec | 120 | 8.38 | | 9.96 |
| 50 | Creditanstalt-Bankver | 10¾ | '88 Jun | 104½ | 7.35 | | 10.29 |
| 100 | Creditanstalt-Ban X/w | 14 | '88 Jul | 110¼ | 7.08 | | 12.70 |
| 100 | Creditanstalt-Bankver | 11¼ | '90 Jul | 107 | 8.87 | | 10.51 |
| 75 | Creditanstalt-Bankver | 15½ | '90 Jul | 106¾ | 12.96 | | 14.52 |
| 100 | Creditanstalt-Bankver | 13¼ | '91 May | 119 | 7.86 | | 11.03 |
| 100 | Creditanstalt-Bankver | 8 | '93 Aug | 99 | 8.19 | | 8.08 |
| 40 | Donaukraftwerke Ag | 11¾ | '90 Feb | 114 | 6.72 | | 10.31 |
| 50 | Giroz Bank Soarkassen | 15¼ | '89 Sep | 118¼ | 7.55 | | 12.90 |
| 75 | Giroz Bank Sparkassen | 13¼ | '91 Mar | 118¼ | 8.18 | | 11.21 |
| 75 | Postsoarkasse | 12½ | '89 Apr | 111 | 6.97 | | 11.04 |
| 30 | Tauernautobahn Ag | 8¼ | '87 Mar | 100¼ | 7.64 | 7.03 | 8.23 |
| 35 | Trans Austria Gasline | 7½ | '88 Jan | 99¾ | 7.72 | 7.80 | 7.52 |
| 47 | Vienna City | 12¼ | '92 Oct | 119 | 8.06 | | 10.29 |
| 50 | Zentralsparkasse-Kommerz | 11¼ | '98 Feb | 109 | 8.83 | | 10.44 |
| | **BELGIUM** | | | | | | |
| 250 | Belgium | 8½ | '91 Mar | 103¾ | 7.46 | | 8.20 |
| 300 | Belgium | 7¾ | '91 Apr | 100¾ | 7.52 | | 7.69 |
| 100 | Matina Bv W/w | 4 | '96 Sep | 102 | 3.75 | | 3.92 |
| 103 | Matina Bv X/w | 4 | '96 Sep | 71 | 8.47 | | 5.63 |
| | **CANADA** | | | | | | |
| 750 | Canada | 14½ | '87 Jun | 103¾ | 6.53 | | 13.86 |
| 500 | Canada | 10⅞ | '88 Oct | 107⅛ | 6.42 | | 10.10 |
| 300 | Canada | 11½ | '90 Mar | 112⅝ | 6.95 | | 10.19 |
| 500 | Canada | 10 | '95 Nov | 113⅝ | 7.82 | | 8.80 |
| 1000 | Canada | 9 | '96 Feb | 107⅛ | 7.76 | | 8.34 |
| 50 | Abitibi-Price | 15¾ | '91 Dec | 116 | 11.38 | | 13.58 |
| 250 | Alberta Province | 7¾ | '91 Dec | 100 | 7.37 | | 7.38 |
| 100 | Aluminum Co Canada | 11¼ | '95 Jun | 107⅞ | 9.84 | | 10.44 |
| 60 | Amca Intl | 11½ | '98 Jun | 104 | 10.85 | | 11.06 |
| 100 | Bank Of Montreal | 14½ | '87 May | 103½ | 6.36 | | 14.01 |
| 150 | Bank Of Montreal | 16½ | '91 Dec | 110½ | 12.23 | | 14.71 |
| 100 | Bank Of Nova Scotia | 13¾ | '87 Jul | 104½ | 5.60 | | 13.04 |
| 200 | Brit Columbia Hydro | 10¾ | '88 Mar | 104¾ | 6.30 | | 9.80 |
| 150 | Brit Columbia Hydro | 13¾ | '88 Jul | 110¼ | 6.47 | | 12.13 |
| 200 | Brit Columbia Hydro | 14¼ | '89 May | 116⅛ | 6.95 | | 12.65 |
| 150 | Brit Columbia Hydro | 15¼ | '92 Jul | 132¾ | 7.78 | | 11.49 |
| 200 | Brit Columbia Hydro | 11¼ | '93 Oct | 120⅛ | 7.81 | | 9.37 |
| 175 | Canadair | 12½ | '89 Nov | 114⅛ | 6.90 | | 10.93 |
| 100 | Canadian Imperial Bk | 16 | '87 Mar | 102½ | 5.93 | | 15.61 |
| 75 | Canadian Imperial Bk | 11 | '90 May | 108 | 8.17 | | 10.19 |
| 100 | Canadian Imperial Bk | 16¾ | '91 Oct | 117⅛ | 11.77 | | 14.26 |
| 100 | Canadian Natl Railway | 14⅝ | '91 Dec | 115 | 10.59 | | 12.72 |
| 50 | Canadian Pacific | 9¼ | '89 May | 101½ | 8.99 | 8.96 | 9.61 |
| 75 | Canadian Pacific | 14⅝ | '92 Jun | 111 | 11.74 | | 13.18 |
| 100 | Canadian Pacific | 10⅛ | '93 Jun | 109⅛ | 8.78 | | 9.83 |
| 75 | Canadian Pacific | 12½ | '99 Oct | 115 | 10.33 | | 10.87 |

| Amt | Security | % | Mat | Middle Price | Yield Mat | Ave Life | Curr |
|---|---|---|---|---|---|---|---|
| 100 | Commerzbank Finance | 11 | '91 Mar | 110 | 8.12 | | 10.00 |
| 100 | Commerzbank Intl X/w | 7 | '88 Jun | 100 | 6.96 | | 7.00 |
| 50 | Degussa Intl Fin X/w | 5⅛ | '93 May | 102 | 7.53 | | 5.39 |
| 100 | Deutsche Bank Finance | 11¾ | '87 Oct | 104½ | 4.21 | | 11.12 |
| 300 | Deutsche Bank Finance | 14⅛ | '89 Aug | 117¾ | 7.01 | | 12.17 |
| 200 | Deutsche Bank Finance | 13½ | '89 Sep | 115½ | 7.02 | | 11.69 |
| 150 | Deutsche Bank Finance | 9¼ | '90 Mar | 106¼ | 8.17 | | 8.67 |
| 100 | Deutsche Bank Finance | 8 | '90 Jul | 98¼ | 8.18 | | 8.11 |
| 110 | Deutsche Bank Finance | 6¾ | '91 May | 94½ | 7.74 | | 6.61 |
| 100 | Deutsche Bank Lux X/w | 7½ | '96 Apr | 94¾ | 8.32 | | 7.92 |
| 110 | Deutsche Siedlungs Bk | 11 | '90 Apr | 109½ | 7.64 | | 10.06 |
| 100 | Dresdner Finance | 10½ | '92 Oct | 109 | 8.47 | | 9.63 |
| 100 | Dresdner Finance | 8 | '96 Sep | 100¼ | 7.95 | | 7.98 |
| 100 | Hessische Landesbank | 8¾ | '87 Jul | 98 | 7.61 | | 6.89 |
| 125 | Hoechst Finance X/w | 8 | '93 Feb | 101¼ | 7.73 | | 7.90 |
| 85 | Hoechst Finance X/w | 8 | '93 Feb | [illegible] | 7.73 | | 7.43 |
| 100 | Mercedes-Benz Credit | 7½ | '93 Aug | 100⅞ | 7.32 | | 7.43 |
| 100 | Mercedes-Benz Credit | 7¼ | '93 Dec | 99¼ | 7.34 | | 7.29 |
| 250 | Siemens Western X/w | 7¾ | '90 Mar | 103½ | 7.20 | | 7.44 |
| 50 | Thyssen Bg Finance | 10⅜ | '96 Mar | 105½ | 8.84 | | 10.21 |
| 70 | Veba Intl Finance X/w | 9 | '93 Dec | 98 | 8.39 | | 8.16 |
| 150 | Volkswagen Intl W/w | 3 | '01 Aug | 117¼ | 1.66 | | 2.56 |
| 150 | Volkswagen Overseas | 7⅛ | '87 May | 100½ | 6.39 | | 7.71 |
| 100 | Westlb Finance | 11⅝ | '90 Dec | 114 | 7.69 | | 10.42 |
| | **ICELAND** | | | | | | |
| 20 | Iceland | 9 | '87 Feb | 100½ | 6.91 | 5.91 | 8.96 |
| 50 | Iceland | 12¼ | '92 Dec | 111 | 10.21 | 9.80 | 11.49 |
| | **IRELAND** | | | | | | |
| 150 | Ireland | 9⅜ | '96 Mar | 104½ | 8.64 | | 8.97 |
| | **ITALY** | | | | | | |
| 50 | Consorzio Di Credito | 7½ | '90 Jan | 99¾ | 7.59 | 7.63 | 7.52 |
| 50 | Eni Ente Naz Idrocar | 7 | '98 Jan | 99½ | 7.47 | 7.54 | 7.04 |
| | **JAPAN** | | | | | | |
| 100 | Bank Of Tokyo Curacao | 13⅛ | '89 Sep | 116½ | 7.10 | | 11.91 |
| 125 | Bank Of Tokyo Curacao | 11 | '90 Apr | 110¾ | 7.20 | | 9.93 |
| 100 | Bank Of Tokyo Curacao | 11¾ | '90 Dec | 115⅜ | 7.18 | | 10.25 |
| 100 | Bank Of Tokyo Curacao | 13⅛ | '91 Jun | 122 | 7.68 | | 11.17 |
| 120 | Bank Of Tokyo Ltd | 8 | '93 Dec | 100⅞ | 7.83 | | 7.93 |
| 120 | Canon Inc | 7⅜ | '91 Dec | 95 | 8.72 | | 7.78 |
| 50 | Chugoku Electr Power | 13⅝ | '89 Aug | 113 | 7.80 | | 11.84 |
| 100 | Dai-Ichi Kangyo Bank | 12¼ | '90 Oct | 116¾ | 7.11 | | 10.49 |
| 150 | Dai-Ichi Kangyo Finan | 10⅝ | '90 Jul | 109⅞ | 7.14 | | 9.44 |
| 75 | Export-Import Bank | 13⅛ | '91 Jun | 119 | 8.04 | | 11.13 |
| 100 | Export-Import Bank | 10⅝ | '95 Jun | 110¼ | 8.61 | | 9.41 |
| 100 | Fuji Bank & Trust | 7⅜ | '91 Nov | 100⅛ | 7.43 | | 7.57 |
| 150 | Fuji Intl Finance Hk | 10⅞ | '90 May | 110½ | 7.28 | | 9.84 |
| 60 | Hitachi Zosen | 11½ | '90 Mar | 101½ | 10.89 | 10.60 | 11.33 |
| 50 | Hokuriku Electr Power | 12½ | '89 Oct | 111 | 7.98 | | 11.26 |
| 100 | Indust Bank Japan Fin | 10⅝ | '88 Apr | 104½ | 5.77 | | 10.21 |
| 125 | Indust Bank Japan Fin | 11⅞ | '89 Mar | 107⅛ | 7.67 | | 10.70 |
| 100 | Indust Bank Japan Fin | 12⅝ | '89 Oct | 115 | 6.82 | | 11.20 |
| 100 | Indust Bank Japan Fin | 11⅞ | '91 Nov | 113 | 8.52 | | 10.51 |
| 100 | Industrial Bank Japan | 10⅞ | '90 Feb | 110⅞ | 7.14 | | 9.86 |
| 125 | Industrial Bank Japan | 13⅝ | '91 Jul | 120 | 8.38 | | 11.56 |
| 100 | Industrial Bank Japan | 10⅝ | '92 Jan | 109 | 8.50 | | 9.86 |
| 150 | Industrial Bank Japan | 8 | '93 Jul | 103½ | 7.71 | | 7.89 |
| 100 | Industrial Bank Japan | 10⅝ | '95 Jun | 112 | 8.74 | | 9.71 |
| 100 | Industrial Bank Japan | 11½ | '95 Jun | 114½ | 8.96 | | 10.84 |
| 50 | Itoh C Co Ltd X/w | 7½ | '89 May | 99⅛ | 7.78 | | 7.54 |
| 75 | Japan Airlines | 11 | '93 Jun | 108½ | 9.38 | 8.46 | 10.14 |
| 75 | Japan Airlines | 12¾ | '94 May | 119½ | 8.80 | | 10.06 |
| 100 | Japan Airlines | 13⅛ | '94 Aug | 122⅛ | 8.97 | | 10.83 |
| 150 | Japan Airlines | 8¾ | '96 Mar | 100⅝ | 8.09 | | 8.71 |
| 100 | Japan Airlines | 8⅛ | '96 Dec | 99¾ | 8.16 | | 8.15 |
| 54 | Japan Airlines | 11 | '97 Nov | 113 | 9.07 | 8.89 | 9.73 |
| 42 | Japan Airlines | 12 | '98 Apr | 118½ | 9.46 | 9.08 | 9.93 |
| 50 | Japan Develop Bank | 15½ | '87 Feb | 101½ | 6.46 | | 15.27 |
| 75 | Japan Develop Bank | 12¾ | '89 Oct | 110½ | 7.95 | | 11.09 |
| 120 | Japan Highway Pub Co | 7⅜ | '96 Jun | 96¼ | 8.18 | | 7.91 |
| 30 | Japan Synth Rubbe X/w | 7¾ | '89 May | 99⅝ | 7.95 | | 7.79 |

| | Amt | Security | % | Mat | Middle Price | Yield Mat | Ave Life | Curr |
|---|---|---|---|---|---|---|---|---|
| $ | 50 | Nordic Investment Bk | 11¼ | '87 Dec | 104½ | 6.14 | | 10.73 |
| $ | 75 | Nordic Investment Bk | 10¼ | '88 Feb | 104¾ | 5.82 | | 9.77 |
| $ | 25 | Nordic Investment Bk | 8⅝ | '88 Nov | 99⅝ | 8.97 | | 8.78 |
| $ | 75 | Nordic Investment Bk | 11¾ | '90 Nov | 108⅝ | 9.04 | | 10.82 |
| $ | 100 | Nordic Investment Bk | 7 | '91 Dec | 99 | 7.25 | | 7.07 |
| $ | 100 | World Bank | 14¼ | '87 May | 103 | 6.59 | | 13.83 |
| $ | 100 | World Bank | 10½ | '87 Jun | 102 | 6.03 | | 10.05 |
| $ | 250 | World Bank | 15 | '87 Aug | 105¼ | 6.23 | | 14.25 |
| $ | 100 | World Bank | 13¾ | '87 Oct | 105 | 6.41 | | 13.62 |
| $ | 250 | World Bank | 15½ | '88 Mar | 110 | 6.43 | | 13.86 |
| $ | 150 | World Bank | 10⅝ | '88 Apr | 105¼ | 6.17 | | 9.87 |
| $ | 50 | World Bank | 16 | '88 May | 107½ | 9.88 | 7.05 | 14.88 |
| $ | 150 | World Bank | 15 | '88 Aug | 113⅛ | 6.27 | | 13.26 |
| $ | 100 | World Bank | 11⅛ | '88 Aug | 107⅞ | 6.12 | | 10.44 |
| $ | 100 | World Bank | 16½ | '88 Sep | 117 | 6.21 | | 14.10 |
| $ | 200 | World Bank | 11¾ | '89 Feb | 109⅝ | 6.58 | | 10.41 |
| $ | 200 | World Bank | 10⅞ | '90 Jan | 111⅛ | 6.76 | | 9.79 |
| $ | 150 | World Bank | 11½ | '90 Aug | 115⅝ | 6.68 | | 9.97 |
| $ | 200 | World Bank | 11⅛ | '90 Oct | 114½ | 6.77 | | 9.80 |
| $ | 300 | World Bank | 11 | '92 Feb | 116 | 7.17 | | 9.48 |
| $ | 300 | World Bank | 10⅝ | '93 Apr | 117⅞ | 7.87 | | 9.28 |
| $ | 200 | World Bank | 12 | '93 Sep | 123⅝ | 7.38 | | 9.70 |
| $ | 300 | World Bank | 12⅝ | '94 Sep | 124⅝ | 7.65 | | 9.33 |
| $ | 150 | World Bank | 12¼ | '94 Nov | 126⅜ | 7.83 | | 9.66 |
| $ | 150 | World Bank | 10⅛ | '95 Jul | 114⅞ | 7.69 | | 8.81 |
| $ | 300 | World Bank | 11⅛ | '98 Jan | 114½ | 9.00 | | 9.72 |
| $ | 500 | World Bank | 9⅜ | '16 Jan | 129⅝ | 8.81 | | 8.98 |
| $ | 200 | World Bank | 16 | '16 Mar | 185⅝ | 8.73 | | 8.78 |
| $ | 150 | World Bank | 8⅛ | '16 Jun | 99⅝ | 8.58 | | 8.51 |
| | | **SWEDEN** | | | | | | |
| $ | 150 | Sweden | 14½ | '88 Dec | 114⅝ | 6.38 | | 12.65 |
| $ | 200 | Sweden | 12⅝ | '89 Apr | 112¼ | 6.60 | | 11.02 |
| $ | 150 | Sweden | 11⅝ | '89 Dec | 112¼ | 6.83 | | 10.34 |
| $ | 200 | Sweden | 10⅞ | '90 May | 111¼ | 6.88 | | 9.72 |
| $ | 250 | Sweden | 7 | '91 Oct | 99½ | 7.12 | | 7.04 |
| $ | 200 | Sweden | 12¼ | '92 Nov | 117⅞ | 7.48 | | 9.88 |
| $ | 150 | Sweden | 8⅛ | '94 Jul | 103¾ | 7.51 | | 7.86 |
| $ | 100 | Sweden | 11¼ | '94 Dec | 118 | 8.35 | | 9.96 |
| $ | 200 | Sweden | 8⅝ | '96 Mar | 106⅜ | 7.77 | | 8.26 |
| $ | 50 | Electrolux | 10⅛ | '90 Jun | 106 | 8.40 | | 9.91 |
| $ | 30 | Ericsson Lm | 8½ | '89 Apr | 100⅝ | 8.18 | 8.07 | 8.44 |
| $ | 35 | Ericsson Lm | 9⅛ | '91 Sep | 101 | 8.96 | 8.94 | 9.16 |
| $ | 100 | Forsmarks Kraftgrupp | 8⅝ | '93 Feb | 104⅜ | 7.34 | | 8.34 |
| $ | 75 | Forsmarks Kraftgrupp | 13⅝ | '92 Oct | 107⅜ | 11.80 | 10.85 | 12.76 |
| $ | 40 | Gotaverken | 8⅛ | '87 Mar | 100¼ | 7.70 | 7.70 | 8.10 |
| $ | 15 | Graengesberg | 6¾ | '87 Oct | 99½ | 7.34 | 7.34 | 6.78 |
| $ | 15 | Graengesberg | 8½ | '89 Feb | 100⅜ | 8.09 | 7.77 | 8.44 |

(Continued on Page 14)

cn$: Canadian dollar.
dm: Deutsche mark.
ecu: European currency unit.
ff: French franc.
£: pound sterling.
nkr: Norwegian kroner.
p: pence.
Pp: private placement.
W/w: with warrants.
X/w: ex warrants.
Y: yen.
Amounts in millions.
Interest paid free of tax except otherwise indicated.
Yields before tax and calculated per AIBD standard definition.
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مكتبة من الأصل

# SAUDI ARABIA

## SHAPING UP FOR THE FUTURE

There is much greater confidence in Saudi Arabia now, compared to a year or even six months ago. The economic storm clouds have passed — or at least are passing. Some observers believe simply that the Saudis have learned to live with their recession. However, this belief is countered by a growing opinion that the recession has bottomed out.

Certainly that was the message being drummed home to British businessmen during the mammoth British sales jamboree, linked to the November visit to the kingdom by the Prince and Princess of Wales. The event, Saudi and British observers agreed, was the biggest public relations exercise ever run in Saudi Arabia. Saudi officials and businessmen, including top-level ministers, agreed that any business that can survive the next 15 months or so "will benefit enormously."

This optimism is linked to the July oil price rise. "The fact that OPEC could turn the situation around, and reverse what until then was a seemingly inevitable decline, had a tremendous psychological effect in Saudi Arabia," said an expatriate businessman in Jeddah.

Naturally, there were some casualties during the recession. The overriding economic theme this past year has been one of cuts — in manpower and wages in both the public and private sectors, and in imports. In the case of the latter, Japanese companies have suffered because they held the largest share of the market.

Certainly many British companies are optimistic. More than 170 of them lined up to take part in the British Trade fair in Jeddah last month. But then, Britain's share of the Saudi market has expanded at the expense of the Japanese and Germans. Though this is largely due to the weak pound, it is nevertheless a strong indication that the Saudis, far from simply cutting back on their purchases, are at present shopping wisely instead.

**Emerging optimism.** One reason for optimism is that Saudi Arabia has weathered the oil price storm better than any other producer. In the first six months of 1986, the kingdom was earning an average of US $55 million a day in oil exports. That was only 10 percent down on daily earnings for the same period in 1985. In comparison, the UAE was 30 percent down, Iran 42 percent down, Nigeria 43 percent down, and Algeria 45 percent down.

Determined to maintain their share of the world market, the Saudi authorities managed this feat by boosting production to offset the decline in price. Since the price rise in July, production has been allowed to slip to around the 4.3-million-barrel/day mark at present, for daily earnings of around $50 million. In August, sales were believed to be worth $77 million a day.

Another reason for confidence is, as King Fahd has several times emphasized, that the recession came at the very time when Saudi Arabia had already made its major investments and achieved many of its goals. Most of the kingdom's infrastructural projects have already been completed. The roads, the airports, the ports, the housing projects and the industrial cities of Jubail and Yanbu have already been built. So, too, have the first generation of heavy industrial projects designed to reduce economic dependence on oil.

This year marked the official end to the Saudi Basic Industry Corporation's (SABIC) first development phase, in which $10 billion has been invested in ten major industrial projects, producing petrochemicals, fertilizers, plastics and metals. All are now being realized, working at full capacity with a combined output of 7.2 million tons. Indeed, even that figure may be an underestimate: Sabic officials recently reported that certain plants are producing in excess of their nominal full capacity.

A further reason for optimism is the enormous scale of Saudi investments abroad, which have helped cushion both budget and private sector spending. The figure has been estimated at $200 billion, divided equally between government and the private sector. Long-term deposits can effectively be ignored as far as the immediate future is concerned but, even so, government revenue cannot be less than $10 billion annually, exactly enough to underwrite this year's budget deficit.

**'The year of stability.'** The next budget is due to be announced Dec. 21. A figure of between $35 and $40 billion is rumored, about what was spent last year. Although Saudi budgets are invariably underspent, that is by no means an insignificant figure. Moreover, if the oil market remains steady, Saudi Arabia could well earn about $24 billion in oil sales in 1987, enough to help balance the budget.

Certainly 1987 is being talked about by Saudi businessmen as the year of stability. In keeping with the 1985-90 Fourth 5-year Development Plan, unveiled 21 months ago, the objective of the next budget will be the development of secondary industrial projects. These are to be energy- and capital-intensive, rather than labor-intensive, emphasizing further expansion of the private sector.

It can be said that Saudi enthusiasm for privatization is matched only by that of Margaret Thatcher and Jacques Chirac. Sabic is already 30-percent private-sector owned, and the government plans to sell other state-owned operations, particularly public utilities. It was no coincidence that there was extremely strong government backing for the creation last year of the joint-stock National Industrialisation Company (NIC) and, just recently, for the Saudi Advanced Industries Company (SAIC), which is being set up to participate in the Boeing Peace Shield Offset program.

An indication of how favorably the authorities regard the private sector is the fact that about $10 billion has been earmarked within the period of the plan to back 14,000 private sector projects. But, as officials at the Ministry of Industry and Electricity point out, the key word today is 'viable.' "We are trying to encourage the private sector to invest, especially in downstream petrochemical projects," a senior Ministry spokesman explained, "but in view of the present economic climate, those projects must be viable."

Although five-year plans tend to be general statements of intent rather than blueprints to be followed in detail, there is no reason to believe that the Saudi authorities will depart from the broad objectives laid down in the current plan.

It can be assumed that every effort will be made to achieve a real annual economic growth of four percent over the next four years, with GNP reaching $95 billion by 1990. The authorities will continue with their Saudi-ization program, reducing the immigrant workforce by some 600,000 by 1990, but at the same time creating 375,000 jobs for Saudi workers.

For its part, Sabic intends to pump $4 billion into new downstream projects in the next four years, as part of its second phase of development. Most of these will be export-oriented, which will further decrease Saudi Arabia's dependence on oil and therefore on the vagaries of the oil market. For the next few years, however, the Saudis can be expected to continue to dominate that market, persuing the twin objectives of gradually pushing up prices while maintaining their market share.

**End of the boom.** Driving down the Medina Road, one of the main thoroughfares of Jeddah, or along the Airport Road in Riyadh, one could be forgiven for wondering what all the fuss is about. The image is of a thriving, bustling economy. Instead of talking about a recession, it might be more intelligent to talk about normalization.

The Saudi economy has come down to earth; it may have been a turbulent descent as far as the banks are concerned, but there has been no crash. As most Western companies operating in the kingdom constantly proclaim, the boom is over. The huge returns of 50 percent or 75 percent are no longer there. But for those who are prepared to be more competitive, business is still good. Saudi Arabia may no longer be fabulously wealthy, but it is still enormously rich and there are still a lot of developments taking place or planned. Returns of 15 to 20 percent, which would be considered excellent anywhere else in the world, are the norm. For most foreign companies, that means that Saudi Arabia is still a good market.

The KEMYA Petrochemical Company is located in the industrial city of Jubail.

## Saudi Oil Faces Vital Challenges

Saudi Arabia's primacy in OPEC affairs has been reaffirmed by its call last month for oil prices to rise to $18 a barrel and a suggestion that it would be seeking a new OPEC production quota from the beginning of 1987. For the time being, however, it will stick to OPEC decisions concerning production quotas.

The new Petroleum Minister is Hisham Nazer, a 54-year-old UCLA graduate who served as deputy petroleum minister in the 1960s. He has been responsible for Saudi Arabia's last two development plans.

This year's oil revenues are expected to total about US $20 billion, which is 20 percent of the total of only five years ago. Production is running at 4.35 million barrels/day (b/d), the OPEC quota for the kingdom, but the price is currently only around $14 a barrel. Uncertainty about the settling of oil prices was the reason the Saudi 1986 fiscal year budget was twice postponed, in March and then in August.

The importance of oil to Saudi Arabia cannot be overemphasized. However, it is important to note that the country would have a strong profile even if there was no oil wealth, because of the annual pilgrimage to the holy cities of Medina and Mecca.

There have been many challenges to Saudi oil policy in the past 18 months. In June 1985 the Supreme Petroleum Council decided to abandon the kingdom's former role as swing producer within OPEC. Riyadh had come to the realization that it could not continue to forever defend an official price of $28 a barrel, unless it was prepared to see its own exports dry up altogether. Pressure may also have come from the four partners in Aramco, Saudi Arabia's oil-producing conglomerate — Mobil, Chevron, Exxon and Texaco.

Yet the tangible result of the talks with Aramco partners was the so-called netback deal. This works by taking a predetermined mix of products in the marketplace, according to published statistics 40 or 50 days after the crude is lifted, and aggregating them on a weighted basis to give a value for that crude.

Following his appointment as oil minister, Nazer called for an immediate meeting of the OPEC pricing committee to consider fixing prices at $18 a barrel. A meeting the following week of the Gulf Co-operation Council (GCC) members in Abu Dhabi, which involved three other OPEC states, avoided the issue by saying oil pricing was an OPEC affair.

With oil demand growing at only two percent a year, and production outside OPEC still rising (even neighboring North Yemen is due to start exporting oil soon), there are few prospects for increased OPEC output in 1987.

Oil prices and their defense are crucial for Saudi Arabia, whose investment income on foreign assets is only approximately $8 billion a year. Many of those foreign assets are liquid, although private holdings are not included in what is officially known as state reserves.

An oil price in 1987 of $18/barrel would give Saudi Arabia a revenue of some $25 billion for the year, but some analysts believe even the Supreme Petroleum Council thinks $18 more of a target than a realizable goal.

Aramco produces more than 90 percent of the kingdom's crude oil and almost all its usable natural gas. The company also markets most of Saudi Arabia's crude and natural gas

(Continued on Next Page)

A SIGN OF THE TIMES FOR QUALITY WIRES AND CABLES IN MODERN SAUDI ARABIA.

Saudi Cable Company is well known for its pioneering role in the field of electric cables and wires production in the Middle East. Since its inception in 1976 it has played a vital role in the economic and industrial development of the Kingdom of Saudi Arabia. During the last 10 years the company has recorded a steady growth in many areas.

Sales capacity reached upto 1 billion Saudi Riyals per annum. Fixed assets grew from SR.50 million to SR.400 million. Its production output rose from 25,000 mt to 45,000 mt. The only copper rod mill in the Middle East with a capacity of 55,000 mt., assures clean copper rod for its cable plant.

Other units, like the PVC compounding plant and the wooden reel plant, help successful backward integration of raw materials in manufacturing cables.

Now, after a decade of successful service, the company is poised to branch out into telecommunications cables and accessories, electronics, high voltage cables and fibre optics.

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## Saudi Oil

(Continued From First Page)

(NGL), and operates the largest gas collection system in the world to provide gas feedstock for the kingdom's newly built world-scale petrochemical industry.

In one sense, netback deals have proved popular since they offer security of supply. In the past few weeks, two Japanese buyers, Mitsubishi Corp. and Kyodo Oil Co., have decided to extend direct oil contracts after November and boost imports by 20,000 to 30,000 b/d.

Of total production, about 300,000 b/d is being stored by the state oil sales agency Norbec. Roughly 200,000 b/d, the kingdom's share of the output from the Divided Zone, goes to Iraq, and 60,000 b/d from the Abu Safa field goes to Bahrain. This is in line with the long-standing production sharing arrangement between the two neighbors. Aramco has telexed oil buyers warning them that the availability of crude at the Red Sea port of Yanbu will be extremely limited in December. This is because of multiple-pumping unit shutdowns on the east-west pipeline that transports oil

The Petromin Lubricating Oil Refining Company.

from the Eastern Province fields. Aramco notes that full pipeline capacity will be restored in January.

In the meantime, it has asked customers to lift crude from the Gulf port of Ras Tanura. Sales of Iraqi oil through the east-west pipeline are running at some 400,000 b/d, with plans to expand the capacity of the line to 3.2 million b/d from 1.85 million b/d.

Aramco is an important element in the local economy, being among other things the Middle East's largest single employer. In the past, it was the largest computer hardware purchaser in the Middle East. Saudi-ization has always been a priority at Aramco. President Ali Naimi said it is in the forefront of the kingdom's drive to develop "an indigenous technological society."

In the downstream industries, Saudi Arabia has the capacity to refine about 2 million b/d of crude, of which almost half satisfies local demand. Petromin, the state agency which handles oil projects, said there are no plans to expand the capacity of the current refineries, but in the current development plan (1986-90) a 325,000-b/d export refinery at Rabigh on the Red Sea is due for completion.

One factor which no longer affects Saudi oil policy is the domestic need for gas as a feedstock, and as fuel for the kingdom's industry and power stations. Reserves of non-associated gas have been tapped to compensate for any shortfall of associated gas caused by production changes in the crude oil sector.

—John Lane

# Private Money Hits Big-Time Business

Saudi Arabia's economy might best be described as state-led capitalist. Without the lead taken by the government in laying down the kingdom's development tracks, the private sector's rolling stock would have gotten nowhere. Even with its enormous potential (it has an estimated US $100 billion invested abroad), the task of building the Saudi infrastructure and establishing primary petroleum and petrochemical industries was far beyond the private sector's capacity.

Saudi private capital has, until recently, played only a supporting role in the kingdom's development. It was channelled into service industries, real estate, banking, construction, import/export and light- and medium-scale industries.

Unfortunately, because of the particularly close relationship between public and private sector, the downturn caused by the drop in oil prices has affected both with equal force.

Within the private sector, the recession chill has hit three areas with particular effect — construction, banking and real estate — and especially the latter.

But recession in two or three areas is more than counterbalanced by growth in others. Maintenance is a prime example.

With billions invested in the Saudi infrastructure, operations and maintenance is now undoubtedly the biggest growth area in the economy. The market is estimated to be worth around US $12 billion a year. Hospital maintenance is one notable area; so ,too, is city cleaning. Private Saudi companies like Al-Khodari, which currently has the maintenance contract for the Dammam area of Al Mawarid, now have the lion's share of these contracts.

However, the government's aim is to elevate the private sector beyond the level of service industries. The object behind the industrial cities of Jubail and Yanbu as well as the SABIC petrochemical projects, was the creation of an infrastructure to enable large-scale private industries to develop. There are now around 2,000 privately owned factories in the kingdom, with an invested capital of over $16 billion, compared with the total ten years ago of 461 factories with invested capital of $2.5 billion. Even so, although there now exist companies like Mabco with its massive plant producing glass-reinforced concrete products in Riyadh (one of the largest factories in the Middle East), most of today's industries are small- to medium-scale.

It is really only in the last year and a half that private money has moved into big-time business. Although the ball started rolling four years ago with the establishment of the joint-stock National Industrialization Co., which has an authorized capital of $165 million, NIC finally became operational just last year. Since then, two other private sector "big timers" have come into being — the more exclusive Saudi Venture Capital Group and the Saudi Advanced Industries Company.

Formed by 26 leading Saudi business names (such as al-Zamil, Olayan and Juffali) with the objective of investing in petrochemical projects, the Jeddah-based SVCG has now 38 members and has already received preliminary approval for five downstream plants.

But NIC is the private sector giant. Backed by 121 major Saudi businessmen as well as the Saudi banks and other local companies, who together own 25 percent of the corporation (the other 75 percent is owned by over 70,000 private Saudi investors), NIC's objective has been to move into the heavy industrial sector. That objective has been more than fulfilled.

Today, NIC's portfolio includes holdings in a wide range of medium to heavy industries, including SABIC's Ibn Hayyan plastics plant at Jubail, which started production in October, the Bahrain-based Process Control Instrumentation Co., the Saudi Pharmaceuticals & Medical Appliances Corp., the Arabian Axle Manufacturing Co., the Saudi Co. for Refractories, and Aslak, a company producing nails, wire fencing, rivets and similar steel products at Jubail. The last three companies were initiated by NIC.

NIC has also extended its activities into the growing operations and maintenance sector, in this case industrial maintenance, by setting up and taking a 40-percent stake in the National Industries Services Co. (NISC). The idea behind NISC, basically an umbrella company, is that it sets up several specialist maintenance operations, each as a joint venture with a foreign firm. The first is the National Technical Inspection & Testing Co., a joint venture between NISC (55 percent) and West Germany's Rheinische-Westfalischer Technischer Uberwachungsverein (45 percent). Other maintenance and servicing companies are planned for the refining, petrochemical and chemical, cement, electricity and desalination industries.

NIC also has a 15-percent share in one of the Peace Shield Offset Program projects. The program is being organized by the Boeing Industrial Technology Group, a subsidiary set up in Saudi Arabia by the Boeing-led consortium, which in 1985 won a $1.2 billion slice of the overall $4.3 billion Peace Shield program. Under the deal, the consortium agreed to reinvest $300 million, or 35 percent of the technical content of the contract value, in nine proposed high-tech projects.

Offset, as the system is called, is regarded by the Saudis as one of the best means to transform their country into a high-tech manufacturing center for the entire Middle East. The $7.5-billion Tornado aircraft deal with Britain is also subject to an offset clause, and negotiations are still taking place between the Saudi Offset Committee and the British on potential projects.

In the case of the Boeing projects, there has been some delay, primarily because of problems relating to the funding organization. Under the offset principle, the shareholding in each project is to be divided equally between the foreign company, in this case BITG, and local Saudi investors. So far just one project has gotten off the ground in terms of total financing: the aerospace center, where NIC has its 15-percent stake. Saudia, the state airline, is taking 30 percent and the Gulf Investment Corporation the remaining 5 percent.

Although NIC reliably can be expected to invest in other BITG offset projects, the delays in getting them off the ground may well be partially resolved by the arrival of the Saudi Advanced Industries Co. SAIC was formed specifically this autumn to participate in the Peace Shield Offset Program.

The fact is that Saudi investors, much as they want to invest in their own country's development, are being extremely cautious at the moment. Like the government, they demand proof of viability before putting their hands in their pockets.

As the Ministry of Industry and Electricity points out, there are now 150 private sector downstream plants in operation, using feedstocks from the primary plants. Another 122 have been licensed, with a further 68 given preliminary approval. The decision in November by SABIC to sell a quarter of its holding in the Ibn Hayyan plastics plant to the private sector is yet another indication of the increasing partnership between the public and private sector.

—Michael Dalmoak

# Increased Exports as Saudi Cable Branches Out

Earlier this summer, the Jeddah-based Saudi Cable Company (SCC) began shipping its largest order ever — a $30-million contract to provide Iraq's State Company for Wires and Cables with 15,000 tons of copper rod.

In a quiet way, it has been an eventful year for SCC, one of Saudi Arabia's most successful private sector businesses.

In October King Fahd inaugurated the company's industrial complex. Within four factories there are facilities for the manufacture of low- and medium-tension cables, high-voltage transmission lines, copper rods, and reels and pallets, as well as a PVC-compounding plant.

The 55,000-ton/year copper rod factory alone cost SR 150 million (US $41 million). By coincidence or design, this was the exact amount raised by SCC in one of the first revolving underwriting facilities (RUFs) in the kingdom. The notes were underwritten by Riyad Bank and Al Bank al Saudi al Fransi, and were subsequently placed with a group of private investors. Major partners in SCC include Xenel Industries, Standard Oil of California and NKF Groep B.V., a wholly owned subsidiary of Philips of Holland.

SCC executive president Omar Khalifati, a graduate of New York's Columbia University, sees the company's future in an international context. He is backed up by his chairman, Khaled Alireza, who studied industrial engineering at the University of California at Berkeley. Alireza talks enthusiastically of Saudi Arabia, "with its well-developed infrastructure," becoming the industrial center for the surrounding region.

Although only recently inaugurated, SCC's copper rod plant, in fact, has been operating since mid-1985. Already 30 percent of its output is exported. Apart from Iraq, its main markets are Turkey, Greece, Pakistan, Jordan, Japan and the UAE.

As Saudi Arabia's own industry becomes more developed, SCC will be able to call increasingly on less-expensive local raw materials for its products. Until recently, some of its copper rods were imported from Australia, its PVC from Europe and its wood from Norway.

Demonstrating its intention to operate as a regional industry, earlier this year SCC increased its stake in Bahrain's thriving Midal Cable Company. SCC initially acquired a 29-percent share in Midal in 1982. It increased this to 36 percent in 1984 before exercising its option to raise it to 50 percent in April 1986.

Midal uses aluminum from the local Aluminum Bahrain (Alba) to make electrical rods and conductors — a useful complement to SCC's plant in Jeddah. SCC has said it wants to upgrade Midal's factory to manufacture aluminium alloy cables.

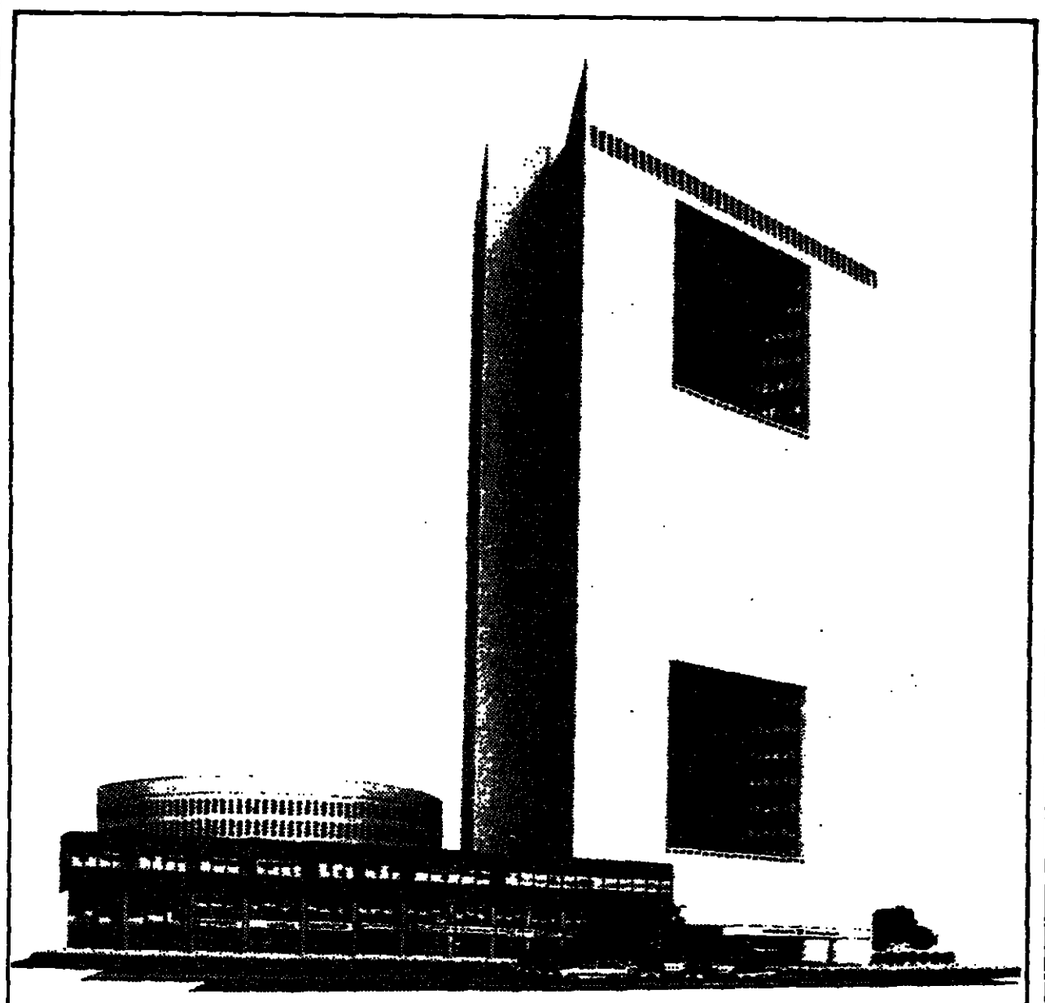
Last year, SCC led a group of Saudi investors who took a 70-percent share in Demirer Kablo, a Turkish company producing 5,400 tons of low- and medium-tension cables a year at a plant in Bozuyuk, 250 kilometers south of Istanbul.

SCC spokesman Hani Taibah speaks confidently of a period of expansion. On the local market, SCC hopes to becomes a manufacturer of telecommunications equipment. It plans to build a telephone cable plant — its first move out of the electrical cable field in which it is established. There has been talk of involvement in additional telecommunications and electrical component projects as part of the Peace Shield offset scheme. Plans include setting up an SCC factory to produce switching gear and transformers.

It appears that these ambitions were held in check while SCC restructured its shareholding, ensuring its continued long-term financial viability. However, the portents are good. Despite the downturn in the local economy, SCC's export-oriented policy has paid off. Sales in 1985 were up 27 percent over the previous year, to SR 525 million ($140 million).

One of SCC's current priorities is training its 1,000 employees. Company executives talk of a day in the not-too-distant future when the expatriates who still make up the majority of the workforce return home. Saudis are being trained to take their places.

—Michael Duncan

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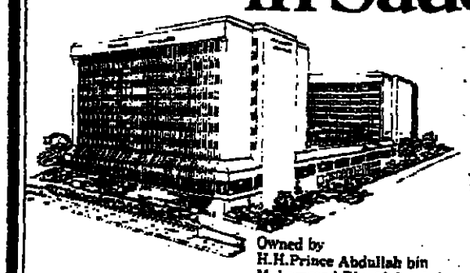

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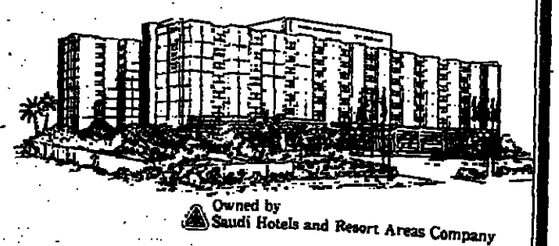

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# Banks Tighten Belts but Broaden Services

Banks in Saudi Arabia are setting up new systems of automation and check clearing.

The Saudi banking system ultimately will benefit from the shakedown in the private sector which is the main consequence of the current recession.

If government action, within OPEC, results in a stabilization of the oil price, greater confidence will return, and few countries and international companies will want to miss out. A major benefit of the years of infrastructure building has been a huge increase in the number of Saudis who have gained an education in financial skills and other professional disciplines, and these skills are beginning to pay off.

On the practical side, automation of the check-clearing system is to be in full swing soon, with the Ridyadh region first in line. The new system is similar to those in the U.S. and Europe, and should cut lead time on clearance to four or five days. As more Saudi citizens get the banking habit, some of the old fears about defaults on loans and worries about collateral should fade.

Riyad Bank is bidding to lead share trading in the kingdom's stock market by setting up a research unit to provide financial information about the kingdom's 58 publicly traded joint stock companies. It will offer its share-trading service through 58 branches countrywide. A number of Saudi-ized banks also participated in a recent syndicated loan for Jubail's Eastern Petrochemical Co. (SHARQ), proving their commitment to aid the Kingdom's industrialization program (a point often raised by ministers as an issue of concern). Among the banks in the Jubail deal were Saudi al Fransi and Samba as co-lead managers.

The current picture of consolidation within the banking system perhaps explains why the central bank, the Saudi Arabian Monetary Agency (SAMA), is determined that no bank will collapse. The agency has been placing deposits with the weaker banks to help them over what is hoped will be a temporary shortfall in liquidity.

Saudi bank results so far this year have been in sharp contrast to the position only a few years ago, when they were collectively the most profitable in the world. For the first three-quarters of 1986, for example, net profits at the Riyad-based Arab National Bank, at $30.8 million, were 20 percent less than for the same period the previous year. The decline stemmed from a 65-percent increase in provisions.

The major opportunity for the Saudi banks appears to be in profitable expansion abroad. In October 1985, the National Commercial Bank broke into a new market by opening a representative office in Tokyo. NCB is the Kingdom's largest bank, with 166 branches throughout Saudi Arabia. Total assets in 1985 reached SR 55.4 billion (US $14.8 billion). Customer deposits were also marginally down at SR 43.6 billion ($11.9 billion). The situation can be attributed to reduced government spending and slower growth in credit.

Although the return on assets at NCB is lower than it was in the early 1980s, it still remains very reasonable as compared with banks worldwide. Then, last month, the Bank of England granted full licensed-deposit-taker status to NCB of Saudi Arabia. This became effective from early November, with an emphasis on a full range of treasury, foreign exchange and commercial banking services. Samba is expected to follow suit: its application is already in the pipeline.

Saudi British is the seventh-largest of the kingdom's 11 commercial banks, having as its foreign partner the British Bank of the Middle East, a subsidiary of the Hongkong & Shanghai Banking Corp. The new managing director at Saudi British is Clive Morgan, who has recently been in charge of the group's interests in Jordan.

The biggest of the kingdom's joint venture banks, Saudi American Bank (Samba), is cutting its operating expenses by nearly four percent — another sign of the times. There is an even bigger cut at United Saudi Commercial Bank (USCB) — 12 percent — but USCB can take comfort in its strong shareholder base which includes the Saudi International Bank (SIB) and three other institutions.

SIB is the most important externally based Saudi bank, having been established in 1975 in London. In 1985 the bank was reorganized to reflect an important change in business direction. As executive director Peter de Roos described it: "The recent rapid changes in financial markets have revealed new opportunities to develop a broader range of investment banking services for our clients. The decision which involves investments of capital, people and systems will only bear fruit in future years."

The bank is 50 percent owned by SAMA, but aside from its base in London, SIB has interests in 50 countries, with a special emphasis on the Far East and Australasia. SIB has a New York branch and a Tokyo representative office. Less than 20 percent of its total loan portfolio, which in total amounts to more than $1.7 billion, is in the Middle East, although the bank is also recognized in the marketplace for its expertise in Saudi riyal exchange transactions.

**— John Lane**

# Hoshanco Branches Out in Business Sector

Hoshanco, a diversified Saudi corporation, is looking for new niches in what appears to be relatively mature sectors: agriculture, business machines and construction.

Led by Group president Ahmed Al-Hoshan, the firm is taking advantage of a slowdown in construction activity to develop new expertise, push new business machines and printing materials, and perform advanced agricultural research.

This fits with Al-Hoshan's desire to position Hoshanco for growth in a slower marketplace in the kingdom. Searching for niches is not a new approach, however; Al-Hoshan founded his company by looking for a business opportunity and then taking advantage of it.

Al-Hoshan grew up as the son of a trading family based in Medinah, in the western province. He was educated in Saudi Arabia and Britain. "We started in construction in 1961," he said recently. "At that time it was small construction work, and we already had a small tile factory at that time. Our progress was parallel to the progress of the economy here."

Diversification, he said, occurred naturally. In 1972, before the oil boom took off, he noticed that only one major trading group was dealing in printing supplies or machinery, and saw this area as a major opportunity. After attending trade fairs and meeting representatives of several firms, Al-Hoshan established his company, moving to Riyadh to be near the seat of the government. He said: "I realized the potential of this market, and the largest customer is the government." In fact, the Saudi government accounts for over 50 percent of all business in printing products and copiers.

Hoshanco picked up agencies for several large firms, including AM International, 3M, Harris Graphics (printing press manufacturers), Gilette Office supplies, Minolta copiers, Hitachi business machines, Sharp business machines and Pentel writing instruments.

The company's graphic arts division became the largest in the Middle East, because of the kingdom's large market for printing and printed materials.

The Hoshanco construction division was classified as a first category firm. The company completed the King Khaled military Academy for the Saudi National Guard, a housing project for the Ministry of Defense and Aviation (MODA) on Airport Road in Riyadh. It has also completed a housing project for the Saudi Consolidated Electric Company (SCECO) in Najran, and is now completing the new headquarters of the Ministry of Commerce.

Now that the construction sector has slowed down, Hoshanco's expertise in consulting, design, and completing projects are earning it a niche in finishing projects.

Hoshanco is positioning new products in the field of office automation. The bulk of the SR500-million-per-year Saudi business machine market consists of computers and copiers. Hoshanco's research and development department has been working with its suppliers to bring new machines on the market.

Hoshanco is aso investing in agricultural research. The company owns its own farm, on which it grows tomatoes, cucumbers, lettuce, eggplant, squash, beans and melons. It has 65,000 square meters in "greenhouse" tunnels, and 25,000 square meters in fully equipped greenhouses.

Hoshanco is one of 150 farmers and companies who formed a marketing company capitalized at SR37.5 million. Aamir Al-Hoshan, vice president of Hoshanco, said the new firm will try to set vegetable and fruit quality standards, and negotiate on behalf of all the members of the company for wholesale prices in the souks and with the nation's supermarkets.

Hoshanco itself is working on some important research projects. One important project is growing date palm tissue cultures for the Ministry of Agriculture and Water.

Date palms are slow-growing trees, which can grow up either male or female if raised from seeds. No farmer wants to waste a decade growing a non-fruit-bearing male, so offshoots from female trees are generally used. However, each date palm sends out just four or five offshoots.

The much-more-efficient tissue culture process "clones" date palms — producing thousands of genetically identical plants from one tree. This will reduce new tree costs from SR1,000 (US $280) an offshoot to a few dollars for a new plant.

The other major field of Hoshanco research is hydroponics, the scientific cultivation of plants using nutrient baths instead of soil. So far, this technically demanding method for raising crops is producing good yields for Hoshanco.

Hoshanco is also involved in all types of insurance, and is developing a health insurance concept for the kingdom. In this, and other ways, the company is growing; it is working to insure that it will continue operations profitably in Saudi Arabia's competitive business environment.

**— Doug Graham**

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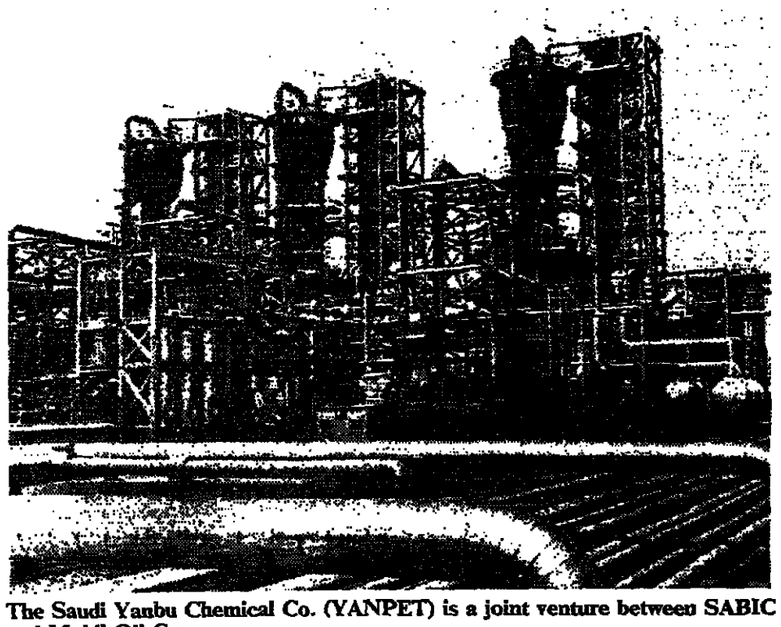
# How to Counter Oil Dependency? Diversify

Saudi's plans to break away from its dependence on oil came of age this year. All of the major first-generation industrial projects ordered by the state-owned Saudi Basic Industries Corp. (SABIC) have been completed, and all are running at full capacity.

The economic philosophy behind Sabic's program, which has cost US $10 billion so far, is that by building world-scale primary industries, producing petrochemicals, fertilizers and steel, Sabic can provide the raw materials needed by private and public sector downstream companies. The equation is simple: without primary industries, there will be no widespread industrial development, and without that, there will be no move away from dependence on oil.



**The Saudi Yanbu Chemical Co. (YANPET) is a joint venture between SABIC and Mobil Oil Corp.**

Most of the projects have been developed on a joint-venture basis with major international companies such as Exxon, Mitsubishi and Mobil, and most have been located at the Gulf coast industrial city of Jubail. As befits an oil and gas-producing nation, all are either energy-intensive, like the Hadded integrated steel complex at Jubail, or use natural gas (either methane or ethane) as their feedstock.

The current objective at Jubail or Yanbu, the two cities developed especially to house the country's industrial activities, is to develop the downstream plants. In this case, downstream does not necessarily mean smaller. Sabic alone plans a $4-billion investment on its second-phase projects. The first, the $400-million Ibn Hayyan plastics plant at Jubail, started production of PVC and VCM (vinyl chloride monomer) in October 1986.

Other second-generation projects planned at Jubail include the Ibn Sahr plant owned by the Saudi European Petrochemical Company (70-percent Sabic-owned), and the Ibn al-Baytar factory, producing ammonia. The company involved in the latter, the National Chemical Fertilizer Co., is a partnership between Sabic and a Sabic affiliate, Safco, which has been producing urea and sulphuric acid in Dammam since 1970.

In both Jubail and Yanbu, which for centuries acted as seaports for pilgims to Medina and which today are connected by a 1,200-km pipeline to the eastern oilfields, the government has also established what are called Secondary Industrial Parks. The object is to provide sites for factories which produce feedstocks to supply either primary or secondary industries. In short, the government agency concerned, the Royal Commission for Jubail and Yanbu, aims to create a fully integrated industrial structure in each city.

The theory is already becoming reality. In Yanbu, where the prime petrochemical plant is Sabic's and Mobil's joint-venture Yanpet plant, four other primary industries are now operational, plus an additional 19 private-sector light industries based in the industrial park. Jubail, the larger of the two cities, has 11 primary industries and over 60 support and light manufacturing industries in operation, from print works to wood yards, frozen food to cement pipes.

The 1,144-hectare industrial park in Jubail is like one large building site. New factories are constantly being built. Projects soon to locate there include a 10,000-ton/year iron and steel foundry, a 3,000-ton/year polyether polyol plant, and a 12,000-ton/year fiberglass factory.

The latter is interesting in that it provides evidence of foreign private sector confidence in Saudi Arabia's industrial potential. The company involved, the United Gulf Co. for Fiberglass, is a fully private sector concern in which almost half the shareholders are non-Saudi Arabs. However, since the local market alone for fiberglass is estimated at between 16,000 and 18,000 tons, their confidence is based on sound business sense.

Other likely projects at Jubail include a second polyether polyol plant, a polyvinyl chloride compounding project and a solvent refinery.

Clearly, this enormous petrochemical-linked industrial growth depends for its success on the Saudis being able to market the goods. A considerable proportion is marketed locally or regionally; domestic sales account for about 30 percent of SABIC output.

Although the drop in world petrochemical prices probably will mean that profits for the whole of 1986 may be little more than those for the whole of 1985 ($41 million), signs indicate that sales will be in the region of $900 million, placing Saudi Arabia among the world's top producers of petrochemicals and plastics. Chemical Insight, an industry newsletter published in Britain, reported in August that Sabic was the industry's number-two performer worldwide last year in terms of increased profits and margin, and that it ranked fourth in terms of increased sales. There is admiration, too, within the trade for the way the Saudis operared without causing too much disruption in what is generally accepted as an overcapacity market.

The main problem is that in the wake of the oil price drop, the cost of producing petrochemicals in Europe (the prime center of overcapacity) has dropped drastically. European ethylene may still be more expensive than its Saudi Arabian counterpart, but now it is only twice as expensive. Even that advantage can be wiped out by the trinsport costs. Shipping ethylene, for example is enormously expensive at around $80 to $100 a ton from Saudi to Europe. Moreover, there is fresh competition from the British in the form of the new Shell/Esso Mossmorran complex near Edinburgh, producing substantial quantities from North Sea gas feedstocks.

The Saudi attitude is that the revived competitiveness of Europe's naphtafed petrochemical plants will be short-lived. In the meantime, they are concentrating attention on the Far East, particularly as far as PVC and VCM products from the new Ibn Hayyan plant are concerned. "As the economic boom in the Far East continues," said Abdulla F. Nojaidi, president of Sabic marketing, "there is a trend there to go as far 'downstream' as possible." It is, he continued, far more cost-effective for manufacturers in Taiwan and Korea to invest in downstream projects than in upstream feedstock supplies, as it allows them to take advantage of their own real natural resource — their vast workforces.

The Far East will remain a major consumer of Saudi petrochemicals. Nonetheless, Sabic is very much concerned with the growing needs of the local and regional market. Already the Middle East consumes the equivalent of 54 percent of its own petrochemical production. As it becomes more industrialized, it will consume ever-increasing amounts of petrochemicals, "especially ethylene derivatives, such as polyethylene, PVC and polystyrene," said Nojaidi.

It is this, he said, which explains why a company like Sabic has had far less of an impact on world trade balance than had initially been feared. But Sabic's long-term aim is to supply a larger share of the increasing local and regional demand, although, as Nojaidi explained, "we will continue to market our products worldwide, whenever the need exists."

— **Michael Dalmoak**

# Rapid Growth in Saudi's Twin Cities

The twin industrial cities of Jubail and Yanbu are key elements in Saudi Arabia's ambitions to develop as a major competitor in sales of world petrochemical and refined products. They are also pivotal to the government's plan to transform the private sector from a mercantile into an industrial class.

Said Prince Abdullah Bin-Faisal Bin-Turki al-Saud, secretary-general of the Royal Commission for Jubail and Yanbu: "Saudi citizens are the ultimate beneficiaries of the two cities and our task above all is to see that the vision does not become an illusion."

Since its creation in 1975 to handle first the construction and now the promotion of the industrial zones, the royal commission has pumped more than US $8 billion of government money into Jubail, and nearly $3.5 billion into Yanbu. Jubail, on the Gulf coast, is the bigger of the two, with a population of more than 30,000 that is likely to experience tremendous expansion — up to 280,000 by the year 2010. Yanbu, with 26,000 now, should likewise swell to 115,000 by 2006. At present, there are 11 primary industries and more than 60 support and light manufacturing plants at Jubail in the Eastern Province.

Over at Yanbu, an old pilgrim port not far from the holy cities of Mecca and Medina, there are five primary industries and 20 private sector light and support industries.

The primary industries of both cities largely involve the production of feedstock, refined products, petrochemicals and steel, with a major role in their development played by the state concern Petromin and the partly privatized Saudi Basic Industries Corporation (Sabic). The royal commission, which played the key role in creating the cities' infrastructure and handling early development planning, wishes gradually to withdraw from active, on-the-ground participation in city management, but will remain active in promoting and marketing the cities, both at home and abroad.

In a conservative society such as Saudi Arabia, the most difficult aspect of public relations can lie in persuading investment from local sources. Foreign support is generally easier to obtain. For the overseas arm of its promotion campaign, the royal commission will rely on direct contacts, trade missions and trade fairs. Within the local sphere, however, the royal commission depends on spokesmen, such as the prince.

**The 8-mile port complex in Jubail ships products to domestic and industrial markets.**

For his part, Prince Abdullah is quick to agree that not enough was done to put Jubail and Yanbu on the map during the boom years of the 1970s. "Perhaps the pressures of the mammoth construction projects took us away from the promotional tasks," he said. "I feel that the right time for this effort has only just arrived and we are now working on a long-term and integrated promotional program."

The Jubail and Yanbu cities offer ideal manufacturing bases for newly formed ventures supplying domestic and international markets with products such as petrochemical intermediates and plastics. (Intermediates are the links between the primary petrochemicals and the final product sectors of the economy.) Also, Saudi Arabia is considered to have a ready home market for polymers, particularly in the construction industry, for the home and for educational use.

Other promising potential industries are in downstream steel products, such as wire rod, and copper and aluminium derivatives. Export potential exists to Egypt and the Horn of Africa.

Another plus is the huge investment being made in Saudi Arabia in semi-arid land farming. This means the kingdom will absorb increasing quantities of fertilizers and compound foodstuffs, most of which are now imported. In the light industrial sector, Saudi Arabia is in need of synthetic rubber, detergents, fiber and chemicals.

On the upside, Jubail and Yanbu offer the foreign and local investor community facilities which are second to none, including modern medical care, high-quality schools, excellent residential homes and villas and a well-planned infrastructure. Expatriates can find most of the foodstuffs, luxury items and consumer goods they enjoyed at home.

For corporate investors, the royal commission offers long-term land leases at nominal rents, inexpensive and plentiful energy, competitive labor rates (in regional terms) and fully serviced sites with all utilities. The telecommunications systems at the two cities carry telephone, telex and facsimile traffic around the world, through direct dial systems. A modern cable television system broadcasts a variety of programs throughout the day.

In Riyadh, Jeddah and Dammam, planning is well-advanced to spend $300 million developing new industrial sites. It is possible that the Industry & Electricity Ministry will push ahead with this in 1987.

Saudi-ization at the royal commission entered a new era this year. The commission's human resource center is now run by employees of the royal commission. Commented Prince Abdullah: "If you just pause to think that there was nothing but desert at the Jubail and Yanbu sites barely ten years ago, you cannot but marvel at this achievement."

— **John Lane**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ADVERTISING SECTION

# Counteracting Room Glut, Saudi Hotels Hone Competitive Edges

Less than a decade ago, good hotel rooms in Saudi Arabia were hard to find. Today they are abundant — good news for the traveler, but not necessarily for the hotelier.

Hotel operators in the kingdom find themselves scrambling harder for fewer customers. Rates are declining and emphasis on service is increasing in this competitive environment.

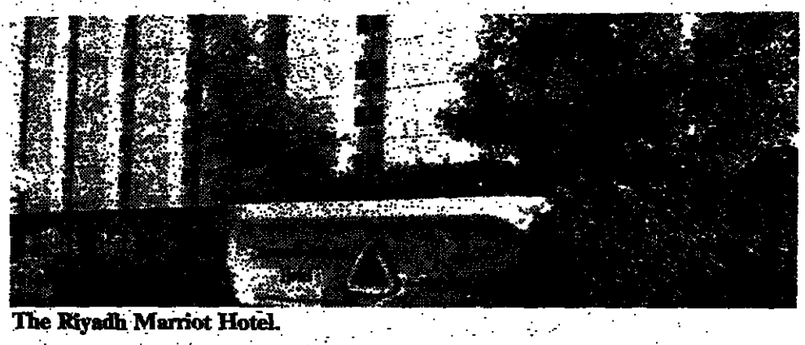
Data compiled in 1986 by the Hotels Department of the Ministry of Commerce show that Riyadh has 37 hotels; Jeddah, 47; the Eastern Province, 38; while the holy cities of Mecca and Madinah have a total of 54. The rest of the country has 66 hotels.

Of these, 14 are rated as 5-star or 'excellent' hotels. Much to the relief of the kingdom's 'excellent' hotel operators, there are no more five-star hotels under construction. Still, there are 3,672 excellent-class rooms available.

Some 44 hotels crowd the next category, 'first class,' with over 7,191 rooms. Another 19 such hotels are under construction, and will ultimately add another 4,511 rooms. There are 102 'second class' hotels with 7,707 rooms, plus another 67 under construction, adding yet another 4,940 rooms. Another 72 'third class' hotels have been built, with 2,947 rooms, and six others under construction will add 306 rooms.

Riyadh and Jeddah each have three excellent class hotels. Riyadh has more total rooms, 1,008, than Jeddah, with 886. The eastern province, containing Dammam and Al-Khobar, has four such hotels, with 1,123 rooms.

Mecca and Medinah may not be big business centers, but because of their importance during the yearly Islamic pilgrimage called the Hajj, they have many hotels. Mecca has 1,960 rooms of all types, while Medinah has 2,690. Taif, the summer capital, has 1,134 rooms of all types.



The Riyadh Marriot Hotel.

Within the cities of the kingdom, Mecca has the most new hotels under construction. The southern province, which includes Abha in the mountainous Asir region, is the site of much construction, totalling 20 projects with 1,057 rooms. The rest of the kingdom has 21 projects, two of which ready to open, reflecting the government's desire to expand hotels in the outlying regions. The activity in Abha, particularly, reflects the desire to boost internal tourism in the green Asir region.

Most major European and U.S. hotel groups are represented in the kingdom: Marriott, Sheraton, Intercontinental, Hyatt, Gustar, Meridien, Novotel, Holiday Inn and Ramada. Most operate on profit-sharing agreements.

Intercontinental operates several hotels under the Intercontinental name, as well as, the government-only Conference Palaces. Among its hotels are the Riyadh Intercontinental, the Taif Intercontinental, and the Abha Continental. To counteract the hotel glut, the Intercontinental is fighting for market share by offering new services. Its boldest move is in Riyadh, where it just opened a new extension, offering luxury suites. Previously, said Riyadh Intercontinental's chief executive, Raymond Khalife, a lack of suites was the hotel's weak point. The new extension adds an indoor pool, squash courts, a small exhibition center/banquet hall, and an improved business center.

The Hyatt chain is also spread throughout the kingdom. The Hyatt Regency in Riyadh is located on Airport Street, close to major ministries. Hyatts are also located in Gizan, Jeddah and Yanbu. The Hyatt competitive edge includes a variety of restaurants for clients. In Riyadh, for example, Chinese, Italian, Japanese and continental restaurants are located in the Hyatt Regency.

Sheraton has opened three hotels in the kingdom, including Riyadh's newest 5-star hotel, the Atallah Sheraton Hotel. Sheraton's new hotel, located close to the new Riyadh Exhibition Center, contains 180 rooms, of which 20 are suites. The hotel contains two restaurants and full sports facilities.

Sheraton's two other hotels are located in Taif and in Medinah.

Gustar — Swiss International Hotels — operates the Al Khozama Hotel in Riyadh, which is owned by the King Faisal Foundation. Like the Riyadh Intercontinental, the Al Khozama has expanded its facilities to attract guests, with the addition of the Al Khozama Center. This new center includes a conference center for seating over 400 delegates, a new Italian restaurant, first-class residential accommodations and new sports and leisure facilities.

Gustar also operates the Red Sea Palace in Jeddah, which has been spruced up and benefits from the completion of work on the Jeddah tidal basin. This hotel is located in old downtown Jeddah and offers guests a chance to walk through the preserved neighborhoods of old houses built from hewn coral blocks.

Marriott is located in Riyadh and Jeddah; the Jeddah facility is the city's newest top-flight hotel. Unlike several of the hotel chains, the Marriotts in Riyadh and Jeddah are owned by different investors: the Riyadh unit is owned by Saudi Hotels and Resort Areas Co. (SHARACO), whereas several wealthy investors own the Jeddah Marriott.

Sharaco is a publicly held company with government participation, and is the first Saudi hotel firm that has begun moving actively into hotel operations and management. It first depended on Marriott for its Riyadh hotel, but now manages Mecca's 417-room AL-Ajyad Hotel, Sharaco's flagship hotel. Sharaco also operates the 86-room AL-Baha Palace Hotel. Another operations contract has been signed with the 100-room Tabouk Palace Hotel, due to open in March.

Sharaco's newest contract is to operate Riyadh's newest hotel, the King Khaled International Airport hotel. The luxury 248-room facility, also slated for a March opening, is owned by the Presidency of Civil Aviation. Sharaco is also negotiating for other hotels in Al-Khobar and Jeddah.

Sharaco, which is also building the huge new Half Moon Bay recreation complex in the Eastern Province, intends to name its new hotel chain Sahara, a name not only appropriate for the region, but also an acronym for the company.

Sharaco's management, as well as that of the Intercontinental, Hyatt, Sheraton, and other chains, agree that the current atmosphere of intense competition governs their actions. Room rates have not risen in several years, and it is possible for companies, particularly airlines, to negotiate large discounts for their rooms. More flexible rates, plus the increased emphasis on sports facilities, restaurants and personalized services, means the kingdom's hotel scene has become a buyer's market.

— Doug Graham

# Highways to Causeways: Transportation Consolidation

As in many other areas of Saudi development, much of the supporting infrastructure for communications and transport is already complete. Over the past 15 years, ports and airports were built, $20 billion worth of roads have been laid, a new rail network started, and the national airline, Saudia, with a fleet of over 100 aircraft, has been turned into one of the world's top carriers.

The task now is to keep the whole network up to par. Maintenance is the prime objective — for instance, some roads built only ten years ago are beginning to show signs of deterioration.

This is why, in late 1985, weight restrictions on heavy trucks were introduced. The maximum weight currently allowed is 40 tons, and fines of $80 for each four tons over the limit can be imposed on drivers. For weights over 56 tons, the fine is doubled.

Understandably, a good deal of attention is being paid to the kingdom's new railway system to see how it can help ease pressure on the roads. This was the first full year for the new 450-kilometer high-speed rail link between Riyadh and the Eastern Province's gateport of Damman. The $429-million double line, updating an earlier one built by Bechtel in 1951, was opened in September 1985.

At present, both passenger and freight services are still in the experimental stage. Eventually, it is expected that there will be six passenger trains a day in each direction, carrying a daily total of 2,500 passengers in the luxury trains bought from France and West Germany.

The Saudi Railways Organization (SRO) is convinced that the new passenger services will prove highly popular. Compared to the seven hours the journey used to take, the present four-hour ride compares favorably with air travel when airport waiting time is taken into account.

When it comes to cost, there is no comparison: the train ticket is a fraction of the air ticket. In today's cost-conscious Saudi Arabia, that is an important factor.

Nonetheless, freight is a major consideration for SRO. They hope that next year the line will carry 5.3 million tons, much of it in containers heading from Damman for the "dry" port container terminal in Riyadh.

Since its start-up in 1982, the freight line has proved a major success. By 1984 it was carrying 100,000 containers a year. But the Iran-Iraq War has had its effects. Shipping in the Gulf is down, and with it container traffic on the line. But the tide may be turning: 1986 saw the start of trainloads of imported Japanese and U.S. cars being shipped into the Riyadh terminal from Damman.

If SRO had its way, work would have already started on another 4,000 kilometers of rail in the kingdom. The Ministry of Transport has plans to extend the line from Riyadh to the Red Sea city of Jeddah, with connections to Medina and Mecca; a Red Sea coastal line from Jeddah to Tabuk, running along the route of the old Hejaz railway; and links from Medina to Hail, from Hail to Buraidah and down to Riyadh, and from Damman to the industrial city of Jubail.

Budgetary belt-tightening, however, almost certainly means that such plans will have to be delayed. This will slow development of a line to Jeddah and the Red Sea industrial city of Yanbu, a line which would help considerably to integrate the country's non-oil industrial infrastructure.

For many Saudis, however, air travel is the only conceivable way of moving around. Again in the Eastern Region, a $2.1-billion airport is being built halfway between the Damman-Dhahran-Al-Khobar region and the industrial city of Jubail, 100 kilometers to the north. Designed on the massive scale of Riyadh's King Khaled International and Jeddah's King Abdel-Azis International, the 528-sq-km King Fahd International is scheduled to open its doors in 1990. By the time the second phase is complete, probably in 1997, it should be handling an estimated 7 million passengers a year.

Jubail, too, is slated for its own local airport. This is due for completion by the end of the year.

Although there remain a host of other communications projects, the last two years have been a time of consolidation. It has been a time when long-awaited projects have been realized. The Damman-Riyadh expressway was finally completed, as was the 12.5-km viaduct linking the port at Jeddah to the Mecca expressway.

But, undoubtedly, the jewel was the opening last month of the $725-million "Bridge to the Future," the causeway linking the Saudi mainland with the island state of Bahrain. The second-longest bridge in the world, it took 1,700 people four years to build. Spanning the 24-km strait between the mainland and the island, its shape rises and falls gracefully to allow ships to pass. At the center, a man-made island accommodates border control and customs offices.

The causeway will have profound economic and social effects both on Bahrain and on the Eastern Region. Island and mainland complement each other. A Gulf megalopolis, consisting of the Damman region, the industrial city of Jubail and the services and banking facilities of Bahrain, appears to be in the making.

— Michael Dalmoak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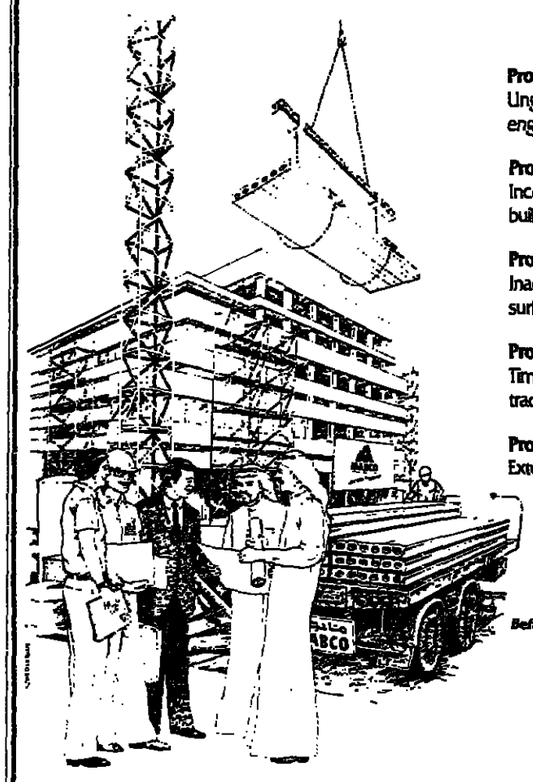

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# SABIC Switches to High Gear

Although SABIC was founded in 1975, it was only last year that most of its plants came completely onstream and production began to surge. The long delay from conception to production was caused by the immense scope of Sabic's job: the company was designed to provide the basic industries necessary to industrialize Saudi Arabia, taking advantage as much as possible of Saudi raw materials.

Because of this, most plants utilize Saudi Arabia's

**H.E Ibrahim A. Salamah, vice chairman and managing director of SABIC.**

previously wasted associated natural gas. This natural gas occurs naturally with Saudi light crudes, and must be separated from the crude before the it is shipped to customers. It used to be burned, or "flared off," after it was separated from the crude. The kingdom, deciding to conserve hydrocarbon resources and preserve the environment in one stroke, invested huge sums in its master gas collection system.

The system was built to collect gas, remove acidic sulfur (which is also an industrial product) and then pipe it to Sabic plants for use as a petrochemical feedstock. The plants then transform the gas into useful products with a higher value-added component. Sabic's planners expect that Saudi private sector investors will build factories and plants that take these basic products and transform them into downstream products worth even more. To establish a broad industrial base, Sabic prepared the groundwork for establishing a large number of viable companies.

Sabic's first steps were to conduct feasibility studies and obtain industrial licenses. In most cases, it sought a foreign partner to provide both technology and foreign marketing expertise. The slate of Sabic production was large. Methanol, iron and steel bars, urea fertilizer, ethanol, glycol, and linear low- and high-density polyethylene are just some of Sabic's products. In many cases, different plants supply petrochemicals for the others. Arabian Petrochemical Company (Petrokemya) produces 500,000 metric tons per year (mtpa) of ethylene, a large portion of which is taken by Eastern Petrochemical Co. (SHARQ) for its production of 300,000 mtpa of ethylene glycol and 130,000 mtpa of linear low density polyethylene (LLDPE). National Industrial Gases Co. (Gas) has just begun to produce nitrogen and oxygen needed by Sabic companies in their chemical processes. National Plastics Co. (Ibn Hayyan) will use Petrokemya ethylene and SADAF ethylene dichloride to produce vinyl chloride monomer (VCM) and polyvinyl chloride (PVC).

The partners lined up for the ventures include many well-known firms. Sharq and Saudi Methanol Co. (Ar-Razi) are both joint ventures with a consortium of Japanese firms led by Mitsubishi. National Methanol Co. (Ibn Sina) is a joint venture with Celanese and Texas Eastern. Saudi Petrochemical Co. (SADAF) is an ethylene, ethylene dichloride, styrene, caustic soda, and crude industrial ethanol-producing joint venture with Shell Oil Co. of the United States. Al-Jubail Petrochemical Co. (Kemya) is a LLDPE plant half-owned by Exxon. Saudi Yanbu Petrochemical Co. (YANPET) is an ethylene, ethylene glycol, and low- and high-density polyethylene-producing joint venture with Mobil Oil. Ibn Hayyan is 15-percent owned by Korea's Lucky Goldstar Group. Saudi-European Petrochemical Co. (Ibn Zahr) is a joint venture with Finland's Neste Oy and Italy's Eni-Chem that will produce MTBE, an additive to unleaded gasoline. Al Jubail Fertilizer Co. (SAMAD) is a urea plant half-owned by Taiwan Fertilizer Co. And Saudi Iron & Steel Co. (Hadeed) is part-owned by DEG of West Germany.

In 1986, Ibn Hayyan began its first production of products. In 1985, Gas's oxygen unit, with 438,000 mtpa capacity, came online. Sharq's ethylene glycol and LLDPE production began. Petrokemya, Kemya, Yanpet and SADAF were both

**Abdullah S. Nojaidi, president of SABIC marketing.**

completely onstream in 1985, as well.

Future expansion will include Ibn Hayyan's output, as well as Ibn-Zahr. Petrokemya is adding polystyrene

**This model of The National Plastic Co. (Ibn Hayyan) helps SABIC project output in one of their plants.**

and Butene-1 units that should be onstream in 1988.

With all of this output, it in not surprising that Sabic quintupled profits. Profits rose to SR58 million on its sales of 5.4 million metric tons of petrochemicals and steel during the first half of 1986.

Profits for the same period in 1985 were SR10.2 million. Sabic produced 6.3 million metric tons for the entire year of 1985. It produced 5.7 million metric tons during the first half of 1986.

Sabic reported that total sales for the first half of 1986 rose 69.3 percent, to SR1.48 billion. Sales for the first half of 1985 totalled SR876.4 million. Other unspecified income remained nearly the same, at SR87 million.

During the first half of 1986, Sabic produced 2.882 million metric tons of chemicals, 741,000 tons of fertilizer, 499,000 tons of plastics, and 643,000 tons of other chemical products. It also produced 975,000 tons of steel products.

Sabic's success, however, is not written solely in production figures. Another important goal of the company is to develop the kingdom's industrial cadres. Saudization is increasing steadily at SABIC. At the company's headquarters, Saudization has topped 80 percent. More than 8,000 people work for Sabic's companies, and approximately 50 percent of them are Saudis. Sabic officials point out that a large percentage of the Saudis are skilled workers, foremen and engineers. At least 75 percent of the workforce at the two Sabic marketing companies is Saudi as well.

Sabic is not content with simply developing an industrial infrastructure for the nation. It is a trailblazer in the now-fashionable trend of "privatizing" government-held firms. Sabic floated 20 percent of its SR5-billion capital only to find the offering so heavily oversubscribed that it offered an additional 10 percent to the public.

Sabic's marketing efforts have yielded higher sales. Its companies are producing, and are providing Saudi workers with places in industry. And now Saudi investors are doing their share as well, working to speed Saudi Arabia's industrialization efforts.

—Doug Graham

# Technology Growth in Saudi British Bank

Riyadh-based Saudi British Bank is working to develop the kingdom's level of banking technology and to introduce new banking products to the Saudi market, said the bank's new managing director, Clive Morgan, in a recent interview.

"We are a leading bank in the electronic banking side of things in Saudi Arabia," Morgan said. "All branches in the kingdom are linked on-line to the computer, so customers can deposit or withdraw from their account from any branch in the kingdom, regardless of where the money is kept."

Saudi British Bank was one of the first banks to introduce automatic teller machines (ATMs) in the kingdom, enabling its customers to conduct banking operations during and after normal banking hours.

Saudi British also provides an electronic banking service called Hexagon, which permits users to perform various banking transactions, as well as check foreign exchange rates and interest rate quotations from different financial centers around the world. Hexagon is notably user-friendly; as well, a multi-tiered security system permits the user to open certain functions for use by subordinates. Employees are granted only as much access to company account information as they need.

Saudi British Bank is 60-percent owned by Saudi investors and 40-percent owned by the British Bank of the Middle East, a wholly owned subsidiary of the Hongkong Bank. It has 28 branches. The bank will introduce new banking services, including a money-management service and demand drafts without a commission charge. "We are working on introducing new products wherever possible," Morgan said. "We want to capitalize on the in-house expertise of our foreign partners, and to develop the potential of our Saudi staff to the maximum."

Saudi British is trying to lure Saudi investment money into deposits. "What we are trying to do is attract money that is lying around outside of bank accounts," Morgan said. "If we can attract Saudi funds to our bank instead of letting them flow overseas, it is to our advantage and, I think, to the advantage of Saudi Arabia as well."

Saudi British Bank is capitalized at SR300 million (US $80 million). In 1985, it reported a profit of SR104 million ($27.73 million) before provisions and SR9 million ($2.4 million) after provisions. Its deposit base grew during 1985 to SR7.12 billion ($1.89 billion). Loans and guarantees declined from the previous year to SR3.3 billion ($880 million). Total assets were higher, at SR8.18 billion ($2.18 billion). Contra accounts declined to SR2.75 billion ($733.3 million).

—Doug Graham


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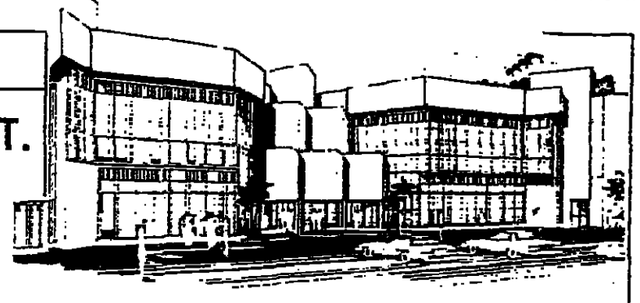

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**EUROBONDS**

# Volume Set a New Record, But Growth Slowed in '86

By CARL GEWIRTZ
*International Herald Tribune*

PARIS — The Eurobond market closed the year with another record-high volume of business, but the pace of expansion slowed to less than half the rate of the previous two years. Data supplied by Salomon Brothers shows that $178 billion worth of new issues were launched this year, an increase of 33 percent over 1985.

Although new issues may continue to be launched in the following three weeks of the year, all are likely to be paid for next year and will fall into the 1987 tally. Of the 30 issues marketed last week, for example, only three were marked for payment this month. In addition, the issuing pace is expected to slow dramatically as institutional investors begin closing their books for their year-end reports and as retail investors prepare for the holidays.

> **The U.S. dollar accounted for only 64 percent of this year's activity.**

The market's expansion this year is well below the 67-percent growth achieved in each of the previous two years. In fact, this year's 33-percent increase in dollar terms overstates the growth because one-quarter of the year's business was denominated in currencies that appreciated some 40 percent against the dollar during the course of this year.

The outlook for next year is for a continued slowing in the rate of expansion. World economic growth is expected to be slow, implying low financing needs for industry. Sovereign borrowing to finance balance-of-payments deficits may pick up, but most of that business has already shifted to the lower-cost Euro-commercial paper market.

In addition, U.S. interest rates, which have been declining sharply over the past two years and may ease further in the immediate future, are likely to begin rising next year as the dollar's sharp depreciation starts to push up domestic prices and therefore, the inflation rate.

This is significant since almost one-fifth of this year's activity in the bond market is estimated to have been replacement financing, the premature redemption of existing debt and the issuance of new, lower-cost paper. As rates rise, the opportunity to replace existing debt with cheaper debt will diminish.

THANKS TO the dollar's decline in the foreign exchange market, which has boosted demand for non-dollar assets and increased values when translated back into dollars, the U.S. currency accounted for only 64 percent of this year's activity, down from 77 percent last year.

The biggest beneficiary was the yen, now the market's second-most-popular currency accounting for 9.5 percent of total volume. Japan's progressive relaxation of rules concerning access to this market was a major contributor to the near-doubling of the yen's share of total volume from just over 5 percent last year.

The Deutsche mark, now in third place, held 9 percent of the market compared to 8.4 percent a year earlier.

The market last week reflected underwriters' prudence about the winding down of investor demand and an unwillingness by the managers themselves to get stuck holding unsold paper over the long holiday period. As a result, terms on most of the new issues were pitched at what everybody agreed were realistic conditions designed to attract investors.

The most complicated was BT Holdings' $100 million issue of five-year notes offered at a premium of 101⅛. Interest on this paper will be paid semiannually at rates rising in steps of about 20 to 30 basis points from an initial 5.8 percent to a final 8.31 percent.

Interest can be collected as holders desire: semiannually or in

See EUROBONDS, Page 15

# Last Week's Markets

*All figures are as of close of trading Friday*

**Stock Indexes**

| United States | Dec. 12 | Dec. 5 | Ch'ge |
|---|---|---|---|
| DJ Indus. | 1,912.26 | 1,925.06 | —0.67 % |
| DJ Util. | 209.64 | 211.94 | —1.10 % |
| DJ Trans. | 834.77 | 860.87 | —3.13 % |
| S & P 100 | 235.40 | 238.08 | —1.14 % |
| S & P 500 | 247.35 | 251.17 | —1.54 % |
| S & P Ind | 275.27 | 279.42 | —1.51 % |
| NYSE Cp | 141.53 | 143.69 | —1.53 % |
| **Britain** | | | |
| FTSE 100 | 1,629.80 | 1,613.50 | +1.01 % |
| FT 30 | 1,280.40 | 1,268.50 | +0.94 % |
| **Japan** | | | |
| Nikkei 225 | 18,830.64 | 18,637.47 | +1.04 % |
| **West Germany** | | | |
| Commerzbk | 2,051.10 | 2,072.70 | —1.05 % |
| **Hong Kong** | | | |
| Hang Seng | 2,463.23 | 2,400.72 | +2.60 % |
| **World** | | | |
| MSCIP | n.a. | 357.30 | — % |

*World Index From Morgan Stanley Capital Int'l.*

**Money Rates**

| United States | Dec. 12 | Dec. 5 | |
|---|---|---|---|
| Discount rate | 5½ | 5½ | |
| Federal funds rate | 6 | 5⅞ | |
| Prime rate | 7½ | 7½ | |
| **Japan** | | | |
| Discount | 3 | 3 | |
| Call money | 4 7/16 | 3 15/16 | |
| 3-month Interbank | 4 5/16 | 4 5/16 | |
| **West Germany** | | | |
| Lombard | 5½ | 5½ | |
| Call money | 4.75 | 4.85 | |
| 3-month Interbank | 4.85 | 4.80 | |
| **Britain** | | | |
| Bank base rate | 11 | 11 | |
| Call money | 11 | 10¾ | |
| 3-month Interbank | 10 45/64 | 10¾ | |
| **Dollar** | Dec. 12 | Dec. 12 | Ch'ge |
| Bk Engl Index | n.a. | 110.50 | — % |
| **Gold** | | | |
| London p.m. fix $ | 391.50 | 388.50 | +0.77 % |

# Currency Rates

**Cross Rates** — Dec. 12

| | $ | £ | D.M. | F.F. | It.L. | Gldr. | B.F. | S.F. | Yen |
|---|---|---|---|---|---|---|---|---|---|
| Amsterdam | 2.2875 | 3.259 | 113.025 * | 34.44 * | 0.1632 * | — | 5.532 * | 134.77 * | 140.25 y |
| Brussels(a) | 42.11 | 60.02 | 20.881 | 6.341 | 3.0015 * | 18.4855 | — | 24.86 | 25.11 * |
| Frankfurt | 2.0232 | 2.885 | — | 30.46 * | 1.443 x | 88.475 * | 4.887 * | 119.20 * | 1.2405 * |
| London (b) | 1.4275 | — | 2.88 | 9.481 | 2,001.80 | 3.2595 | 59.975 | 2.4225 | 232.80 |
| Milan | 1,402.25 | 1,999.75 | 692.90 | 211.24 | — | 618.16 | 33.318 | 826.25 | 8.68 |
| New York(c) | — | 0.7003 | 2.009 | 6.5835 | 1,391.50 | 2.2705 | 41.79 | 1.6985 | 162.825 |
| Paris | 6.6415 | 9.465 | 3.28 | — | 4.7335 x | 2.9814 | 15.767 * | 3.909 | 4.0698 * |
| Tokyo | 162.85 | 232.71 | 80.76 | 24.64 | 11.67 * | 71.49 | 388.66 * | 96.45 | — |
| Zurich | 1.6992 | 2.4295 | 83.995 * | 25.615 * | 0.1212 * | 74.265 * | 4.0321 * | — | 1.042 * |
| 1 ECU | 1.0288 | 0.7212 | 2.0838 | 6.8345 | 1,444.12 | 2.3551 | 43.3443 | 1.7479 | 167.945 |
| 1 SDR | 1.1981 | 0.8405 | 2.4241 | 7.9575 | 1,674.78 | 2.7408 | 50.4557 | 2.0356 | 195.117 |

*Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available (e) To buy one pound: $U.S.1.428*

**Other Dollar Values**

| Currency | per U.S.$ | Currency | per U.S.$ | Currency | per U.S.$ | Currency | per U.S.$ |
|---|---|---|---|---|---|---|---|
| Argen. austral | 1.1975 | Fin. markka | 4.9452 | Mex. peso | 888.00 | S. Kor. won | 863.00 |
| Austral. $ | 1.5176 | Greek drac. | 141.35 | N. Zealand $ | 1.9677 | Soviet ruble | 0.6797 |
| Austr. schil. | 14.17 | Hong Kong $ | 7.7945 | Nig. naira | 2.4679 | Span. peseta | 135.70 |
| Belg. fin. fr. | 42.20 | Indian rupee | 13.21 | Norw. krone | 7.595 | Swed. krona | 6.971 |
| Brazil cruz. | 13.77 | Indo. rupiah | 1,654.00 | Phil. peso | 20.25 | Taiwan $ | 36.08 |
| Canadian $ | 1.3782 | Irish £ | 0.7404 | Port. escudo | 149.40 | Thai baht | 26.235 |
| Chinese yuan | 3.7221 | Israeli shek. | 1.4818 | Saudi riyal | 3.7524 | Turkish lira | 757.23 |
| Danish krone | 7.6505 | Kuwaiti dinar | 2.9428 | Sing. $ | 2.1935 | UAE dirham | 3.673 |
| Egypt. pound | 1.4285 | Malay. ringg. | 2.595 | S. Afr. rand | 2.2321 | Venez. boliv. | 21.40 |

€ Sterling: 1.0585 Irish £

*Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.*

## To Our Readers

Because of a strike at Agence France-Presse, the World Stocks in Review feature is not available today. We regret the inconvenience to readers.

# Motorola Battles In Japan

## *Cellular Phones Cause Friction*

By Susan Chira
*New York Times Service*

TOKYO — A two-year effort by Motorola Inc. to sell cellular telephones in Japan threatens to become another point of friction in the area of U.S.-Japanese telecommunications.

A Japanese government advisory committee estimates that the number of people using such telephones — now 60,000 — will soar to 4.5 million by the year 2000.

At first, Japanese technical standards effectively closed the market to U.S. telecommunications products, according to Donald Abelson of the Office of the U.S. Trade Representative who has worked on the Motorola case. But the two sides finally agreed to remove such barriers.

Motorola then looked for a Japanese partner who could receive a government license to offer cellular telephone services. It found one in Daini Denden, a new Japanese telecommunications company formed to compete with Nippon Telegraph & Telephone.

NTT now operates the only existing cellular telephone system in Japan, using a model developed exclusively for the Japanese market that is not compatible with other internationally-used systems.

Dr. Sachio Senmoto, a senior vice president of Daini Denden, said that the company decided to use Motorola's system because it is based on an international standard.

Daini Denden then approached Japan's Ministry of Posts and Telecommunications, which must issue the necessary license to operate cellular telephone services. Along the way, Motorola modified its system slightly to make it compatible with the NTT system.

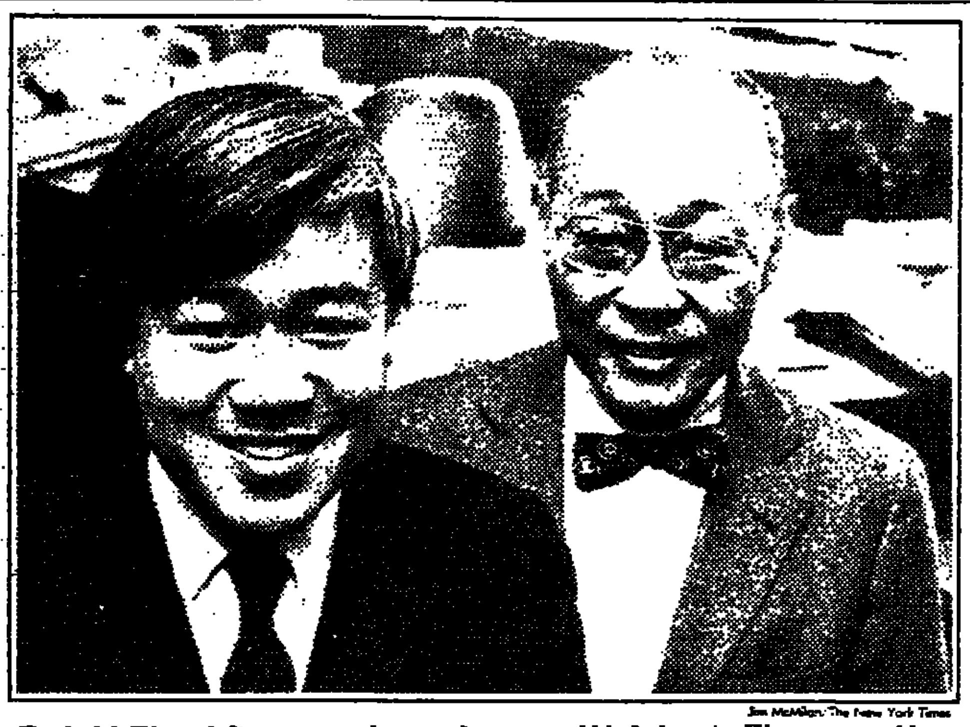
According to Dr. Senmoto and Mr. Abelson, negotiations with the ministry were progressing nicely when a rival company decided to enter the market.

Teleway Japan has strong government and industry connections. The group began an intensive lobbying effort for a license, according to Dr. Senmoto and Mr. Abelson.

While they do not challenge the government's contention that there are not enough channels for two companies, U.S. trade negotiators question the government's belief that it has an obligation to weigh not only the technical standards but also the business prospects for a new enterprise. This, they argue, can penalize foreign companies.

U.S. negotiators also suspect that Teleway Japan's insider status has persuaded the ministry not to proceed with Daini Denden's application and instead press the two companies to come to some agreement.

Over the past few months, Daini Denden and Teleway Japan have been discussing how they might join forces. But both sides say talks are not going well.



Jim McMillan/The New York Times

**Frederick Wang, left, was recently named to succeed his father, An Wang, as president of Wang Laboratories Inc., the maker of computer and word-processing equipment.**

# *The Generations Change at Wang*

By Thomas J. Lueck
*New York Times Service*

LOWELL, Massachusetts — Frederick A. Wang bristled visibly at the inevitable request: to contrast his management style with that of his father, An Wang, the computer pioneer, philanthropist and founder of Wang Laboratories Inc.

"I'm the product of a Yankee environment; he is not," said the junior Mr. Wang, 36, who was named last month to succeed his Chinese-born father as president, a position giving him control over most of the company's operations.

"Wang is rich with vision, and it is my job to implement," he added. "We're going to hit solid singles rather than swing for home runs."

For Wang, a maker of computers and word-processing equipment, the succession could not have come at a more critical time. The company, based here, has been battered by steep losses, product delays, layoffs and an exodus of top-level executives.

Until 1985, when the entire computer industry fell into a slump, Wang had been one of its stars. With a string of highly successful calculators and word-processing systems developed by An Wang, the company became an almost ubiquitous presence in the American office, selling its goods to more than 80 percent of the nation's 2,000 largest companies.

But now, as it realigns its management, Wang is also struggling to reignite growth by concentrating its efforts on minicomputers, the machines used to expand and tie together large computer networks.

Unlike the word-processing systems that fueled Wang's growth during the 1970s, minicomputers put the company in direct competition with International Business Machines Corp., Digital Equipment Corp. and other industry giants at a time that the industry is continuing to contract. So far, Wang has captured only a 3-percent share of the market, according to International Data Corp. a Framingham, Massachusetts, research firm.

An Wang, 66, remains the company's chairman and chief executive. In an interview, he said he did not plan to give up those jobs soon.

"My role is strategic," said the elder Mr. Wang, a precise, scholarly man who is known throughout the company's 12-story office and research complex here as "the doctor" in recognition of his Harvard Ph.D. in applied physics. He intends to involve himself in the company's day-to-day operations "where trouble requires my attention."

Still, he said the appointment of his son as president represents a broad shift in management authority and a continuing effort to groom him for the chairman's job. In his autobiography, "Les-

See WANG, Page 15

# U.S., EC Fail to Agree on Grain Sales

*Reuters*

BRUSSELS — Talks to avert a trade war between the European Community and the United States over a dispute involving Spanish grain sales ended without agreement, an American official said Sunday.

Clayton K. Yeutter, the chief U.S. trade negotiator, was returning to Washington immediately, Roger Bolton, Mr. Yeutter's spokesman, said.

No further talks were scheduled before the end of the year when the U.S. government has said it will impose curbs on EC imports, but Mr. Yeutter would be available if the EC wanted more talks, Mr. Bolton said.

"There was no resolution of the underlying question," he said. "Naturally that was disappointing to us."

Diplomats said the EC was expected to ask for an extension of the end-year deadline until the end of January to avoid a cycle of retaliation.

Asked whether the United States would agree to an extension, Mr. Bolton said: "We continue to be available to resolve this issue between now and the end of the year. We would consider a request but our position has not changed."

The diplomats said the new tensions with the United States were expected to figure high in talks here Monday between EC foreign ministers, who will have to decide whether to seek an extension of the deadline.

Mr. Bolton said Mr. Yeutter would be in Washington for the next week and in Nebraska over Christmas, but he would be prepared to hold talks if the EC asked.

The dispute is over U.S. demands for compensation from the European Community for the share of the Spanish feed grains market that U.S. suppliers lost after Spain joined the EC this year.

Meanwhile, the International Wheat Council, a London-based trade body, said a bumper Soviet grain harvest and record production worldwide have left the United States and other exporters searching for buyers.

World production in 1986 reached a record 1.36 billion metric tons (1.5 short tons), up 10,000 tons from last year's record, according to a market report published last week by the council.

Grain prices have plunged, with wheat down 35 percent from last autumn, according to the council's statistics. World trade will decline 20 percent this year from a 1984-85 record of 104 million tons, it said.

The increase in supplies was partly due to the Soviet Union, normally a major buyer, producing 210 million tons of grain, its biggest harvest for eight years.

In 1986-87, the Soviet Union will be able to cut imports of all foreign grain by 6 million tons to 24 million, the council said. The U.S. Agriculture Department forecasts Soviet grain import needs at only 21 million tons in 1986-87.

# *Hungary Arranges $200 Million Loan*

By Carl Gewirtz
*International Herald Tribune*

PARIS — Hungary has appointed Chemical Bank and Bank of Tokyo to arrange a $200 million loan at a cost that sets a new low for the East European country.

Interest on the eight-year loan, which is expected to be launched early next year, will be ¼-point over the London interbank offered rate. Previously, Hungary has paid a split ¼-⅜ point over Libor.

The decline follows the path set by the Soviet Union, which last paid a split ⅛-¼ point over Libor to tap the international credit market. With few credit-worthy borrowers still willing to use the syndicated-loan market when much cheaper financing is available through the sale of Euro-commercial paper, those who do tap the market can demand lower costs.

There is some question, however, how much longer and lower borrowing rates may drop. While there is no direct link with the floating-rate-note sector of the Eurobond market, some bankers argue that the recent debacle in the market for perpetual FRNs and the rise in margins on newly-issued dated FRNs signal that borrowing costs may start to rise.

The change in the FRN market has a two-pronged effect. Banks themselves will find it increasingly difficult to raise money below the interbank bid rate, Libid. Ever-lower funding costs have increased the willingness of banks to lower their lending charges.

Further, as yields on FRNs rise, banks will be tempted to buy these securities rather than participate in loan syndications where the income is much less.

By this analysis, the terms on the credit facility nearing completion

**INTERNATIONAL CREDIT**

for Spain's national railway Renfe will represent an all-time low not likely to be repeated.

Renfe is refinancing $315 million with a six-year facility on which it is offering underwriters an annual fee of 2½ basis points, or .025 percent, for the first three years and 3 basis points after that.

Underwriting commitments have been slow in coming, but Manufacturers Hanover Trust expects to have it completed by this week. Renfe aims to cut the facility by half within a few months and then issue commercial paper.

The CP market functions at very low interest levels, often below Libid, because nonbank institutional investors are willing to forgo the higher income available on FRNs for the certitude of no risk to their capital investment. FRNs in theory should trade at par value at every interest refixing date, but as recent developments show, that is not absolutely certain.

In the CP market, by contrast, the short-term paper matures and is then re-issued. That eliminates the risk inherent in FRNs that a revaluation of the issuer's credit standing or a market reassessment of terms could permanently affect the level at which the paper trades and delay until maturity, years away, any chance of selling the paper at the same price that was paid for it.

But as rates on FRNs rise the risk of market reassessment dims, leaving only the credit assessment, and nonbank investors may be drawn back to that market.

Italy's consortium of agricultural credit institutions, Meliorconsorzio, plans to arrange early next year a 12-year note facility for the equivalent of 300 billion lire to be made available in European currency units (about 150 million ECU) and Swiss francs (about 90 million).

Underwriters will be offered an annual facility fee of five basis points for the first four years, six basis points for the next four years and seven basis points in the final period.

The terms were considered very tight considering the long maturity and the absence of a direct state guarantee.

IMI, another Italian credit agency, is currently seeking a $100 million loan for six years with interest set at five basis points over Libor for the first three years and six basis points over the base rate for the final three years.

CSX Corp., the former Chesapeake Railroad, is seeking a $250

See LOANS, Page 15

# Audit Questions Fermenta Value; Trading Halted

*Reuters*

Reuters

**Refaat el-Sayed**

STOCKHOLM — The entire board of the Swedish biotechnology group Fermenta AB has offered to resign over a report by company auditors, prompting the stock exchange to suspend trading in the company's shares for the ninth time this year.

The halt ordered by the Stockholm Bourse, is effective Monday and follows a two-day meeting by the board to consider the auditors' findings. The auditors questioned Fermenta's financial results, raising doubts about the drug group's profitability.

In a statement issued Saturday, the board said that Fermenta's auditors had major doubts about the value of assets in the company's books, mainly because the valuation was based on anticipated developments that did not occur.

The board was referring to transactions negotiated by Refaat el-Sayed, the company's Egyptian-born founder and major shareholder.

At worst, the statement said, the overvaluation could mean that the bulk of the 353 million kronor ($50.6 million) profit posted by Fermenta for the first nine months of this year could disappear.

The rapidly growing Swedish pharmaceuticals group had predicted that its 1986 profits would nearly double to 700 million kronor, but the board said Saturday that this goal would not be reached.

The chairman of the Stockholm Bourse, Bengt Ryden, immediately announced that trading in Fermenta, one of the most active stocks on the exchange, would be suspended.

Trading in the stock has been suspended eight times this year.

Mr. Sayed has said he is committed to repaying a personal debt of 554 million kronor in the second half of December.

The vast bulk of his personal fortune consists of his stake of nearly 80 percent in Fermenta. It has been widely speculated that Mr. Sayed would seek to sell his holding over the next few days to raise cash to pay his debts.

Commenting on the auditors' criticism of the method for valuing assets, Fermenta's chairman, Ove Sundberg, said the company was doing so much business that "one thinks there has been a deal when in fact there has only been an agreement."

# *Baker, Stoltenberg Discuss World Debt Crisis, Currencies*

*Reuters*

KIEL, West Germany — James A. Baker 3d, the U.S. Treasury secretary, and Gerhard Stoltenberg, West Germany's finance minister, met Saturday in the Baltic port of Kiel for talks on currencies and the international debt crisis.

Frankfurt currency dealers were nervous about the possibility that the two might conclude an economic policy accord that would affect the value of the dollar on foreign exchanges.

But neither Mr. Stoltenberg nor Mr. Baker would comment on whether any specific financial and economic policy measures had been considered.

"We discussed a wide range of subjects, including coordination of economic and financial policy, currency developments and the international debt crisis," Mr. Stoltenberg said.

He said the talks helped to prepare for International Monetary Fund and World Bank meetings next spring.

The United States, with its huge trade deficit, had been pressing Japan and West Germany to cut interest rates and fire up their economies in the hope this would stimulate world expansion and buoy U.S. exports.

Japanese Finance Minister Kiichi Miyazawa and Mr. Baker came to a surprise agreement on Oct. 31 in which Japan agreed to curb its interest rates in return for the United States ceasing to talk the dollar down against the yen.

A West German official, who declined to be named, said after Saturday's meeting that the United States "will lie low until after the general election in West Germany" next month, but that it can be expected to resume its pressure on Bonn after the Jan. 25 vote.

The meeting with Mr. Baker was arranged at short notice and took place in Kiel because the West German minister was campaigning in his home state.

After the talks Mr. Baker flew to Italy to meet Treasury Minister Giovanni Goria.

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# International Bond Prices

(Continued)

| Amt | Security | % | Mat | Middle Price | Yield Mat | Ave Life | Curr |
|---|---|---|---|---|---|---|---|
| dm 150 | Eib Europ Invest Bank | 5¾ | '16 May | 88¾ | 6.64 | | 6.49 |
| dm 200 | Eib Europ Invest Bank | 6 | '16 Sep | 87⅝ | 7.00 | | 6.85 |
| dm 200 | Euratom | 5¾ | '93 Nov | 100 | 5.93 | | 5.75 |
| dm 150 | Euratom | 7⅜ | '93 Apr | 104¼ | 6.55 | | 7.08 |
| dm 50 | Eurofima | 6¼ | '87 Sep | 100 | 6.20 | 6.19 | 6.25 |
| dm 100 | Eurofima | 5½ | '88 Feb | 100¾ | 5.26 | 5.07 | 5.47 |
| dm 50 | Eurofima | 6½ | '88 Mar | 100¼ | 6.04 | 5.73 | 6.47 |
| dm 80 | Eurofima Pp | 5¾ | '88 Nov | 100¼ | 5.35 | 5.28 | 5.49 |
| dm 100 | Eurofima | 7½ | '90 Jul | 105½ | 5.75 | | 7.11 |
| dm 100 | Eurofima | 8⅛ | '90 Oct | 106½ | 6.22 | | 7.65 |
| dm 100 | Eurofima | 7½ | '91 Mar | 106¼ | 5.78 | | 7.06 |
| dm 100 | Eurofima | 10¼ | '91 Nov | 108¾ | 8.10 | | 9.46 |
| dm 100 | Eurofima | 9 | '92 Apr | 108¾ | 7.08 | | 8.37 |
| dm 200 | Eurofima | 7¾ | '92 Jul | 106½ | 6.32 | | 7.28 |
| dm 100 | Eurofima | 7⅝ | '94 Mar | 107¾ | 6.29 | | 7.09 |
| dm 100 | Eurofima | 6½ | '96 Jun | 100½ | 6.17 | | 6.22 |
| dm 150 | Eurofima | 6⅝ | '97 Sep | 100¾ | 6.31 | | 6.24 |
| dm 100 | International Fin Pp | 6¾ | '92 Nov | 102½ | 6.15 | | 6.48 |
| dm 100 | International Fin Pp | 5⅞ | '95 Apr | 94 | 6.76 | | 6.25 |
| dm 100 | Inter-American Dev Bk | 7 | '87 Jan | 100 | 6.77 | | 7.00 |
| dm 100 | Inter-American Dev Bk | 6¼ | '88 Jan | 100¾ | 5.62 | | 6.21 |
| dm 150 | Inter-American Dev Bk | 8 | '88 Feb | 103⅛ | 4.87 | | 7.74 |
| dm 50 | Inter-American Dev Pp | 8 | '89 Jul | 105⅞ | 5.64 | | 7.56 |
| dm 150 | Inter-American Dev Bk | 9⅝ | '89 Jul | 109½ | 5.69 | | 8.90 |
| dm 100 | Inter-American Dev Pp | 8½ | '91 Feb | 108¾ | 6.21 | | 7.86 |
| dm 100 | Inter-American Dev Bk | 10 | '91 Mar | 113¾ | 6.21 | | 8.80 |


# French Francs

# Norwegian Kroner

# Euro-Currency Units

# Pounds Sterling

# Canadian Dollars

# Japanese Yen

# Zero-Coupons

Dec. 11

# NASDAQ National List

*OTC consolidated trading for week ended Friday. Dec. 11*


# Convertible Bonds

EUROPE

JAPAN

MISCELLANEOUS

U.S.A.

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| Country | Currency | 1 year | 6 mos. | 3 mos. |
|---|---|---|---|---|
| Austria | A. Sch. | 4,800 | 2,600 | 1,450 |
| Belgium | B.Fr. | 10,700 | 5,800 | 3,200 |
| Denmark | D.Kr. | 2,300 | 1,250 | 690 |
| Finland | F.M. | 1,630 | 890 | 490 |
| France | F.F. | 1,400 | 760 | 420 |
| Germany* | D.M. | 560 | 300 | 170 |
| Great Britain | £ | 120 | 65 | 36 |
| Greece | Dr. | 20,000 | 11,000 | 6,000 |
| Netherlands | Fl. | 634 | 340 | 190 |
| Ireland | £ Irl. | 140 | 77 | 42 |
| Italy | Lire | 350,000 | 190,000 | 106,000 |
| Luxembourg | L.Fr. | 10,700 | 5,800 | 3,200 |
| Norway* | N.Kr. | 1,650 | 900 | 500 |
| Portugal | Esc. | 19,000 | 10,400 | 5,700 |
| Spain* | Ptas. | 26,500 | 14,600 | 8,000 |
| Sweden* | S.Kr. | 1,700 | 920 | 520 |
| Switzerland | S.Fr. | 490 | 270 | 148 |
| Rest of Europe, North Africa, former French Africa, Middle East | $ | 400 | 220 | 120 |
| Rest of Africa, Gulf States, Asia | $ | 550 | 300 | 165 |

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# Euromarts At a Glance

## Eurobond Yields

| | Dec. 10 | Dec. 3 |
|---|---|---|
| U.S. $ long term, 8 yrs & over | 8.06 | 8.17 |
| public issuers, 8 yrs & over | 8.21 | 8.31 |
| industrials, 8 yrs & over | 8.57 | 8.54 |
| industrials, 5 to 7 yrs | 8.20 | 8.27 |
| Pounds sterling, 5 to 7 yrs | 11.26 | 11.31 |
| French francs, less than 5 yrs | 9.08 | 8.60 |
| ECU, 8 yrs & over | 8.28 | 8.29 |
| 5 to 7 yrs | 8.20 | 8.16 |
| Can. $, 5 to 7 yrs | 9.76 | 9.77 |
| Aus. $, 5 to 7 yrs | 14.15 | 14.15 |
| N.Z. $, less than 5 yrs | 15.57 | 15.48 |
| Yen, 8 yrs & over | 6.14 | 6.18 |
| 5 to 7 yrs | 5.73 | 5.69 |

*Source: Luxembourg Stock Exchange.*

## Weekly Sales

Dec. 12

Primary Market

| | Cedel $ | Cedel Nons | Euroclear $ | Euroclear Nons |
|---|---|---|---|---|
| Straights | 620.80 | 491.80 | 3,462.50 | 968.60 |
| Convert. | 11.00 | — | 122.90 | — |
| FRNs | 927.00 | — | 2,881.90 | 232.10 |
| ECP | 513.60 | 180.00 | 2,497.90 | 4.19 |
| Total | 2,327.40 | 671.80 | 9,085.20 | 1,224.80 |

Secondary Market

| | Cedel $ | Cedel Nons | Euroclear $ | Euroclear Nons |
|---|---|---|---|---|
| Straights | 10,008.20 | 5,073.70 | 19,332.90 | 7,070.70 |
| Convert. | 314.20 | 61.20 | 986.00 | 95.00 |
| FRNs | 4,984.30 | 789.20 | 22,220.10 | 1,861.50 |
| ECP | 1,178.60 | 303.90 | 2,139.30 | 18.20 |
| Total | 16,539.30 | 6,228.00 | 44,678.30 | 9,045.40 |

*Source: Euroclear, Cedel.*

## Libor Rates

Dec. 12

| | 1-month | 3-month | 6-month |
|---|---|---|---|
| U.S. $ | 6 7/16 | 6 5/16 | 6⅜ |
| Deutsche mark | 5 3/16 | 4 15/16 | 4 15/16 |
| Pound sterling | 11¼ | 11 7/16 | 11 7/16 |
| French franc | 8⅝ | 9⅛ | 8 15/16 |
| ECU | 8 1/16 | 7 13/16 | 7 11/16 |
| Yen | 4¼ | 4½ | 4 7/16 |

*Source: Morgan Guaranty, Lloyds Bank, Reuters.*

# Treasury Bonds

Dec. 12

| Maturity | Close Bid | Close Ask | Yield | Wk-ago Yield |
|---|---|---|---|---|
| 31.10.88 | 100 15/32 | 100 17/32 | 6.21 | 6.20 |
| 15.8.89 | 99 30/32 | 100 | 6.38 | 6.37 |
| 30.9.90 | 100 16/32 | 100 18/32 | 6.59 | 6.56 |
| 11.15.91 | 99 25/32 | 99 27/32 | 6.67 | 6.64 |
| 15.10.93 | 100 29/32 | 100 31/32 | 6.95 | 6.93 |
| 15.5.96 | 100 28/32 | 100 30/32 | 7.12 | 7.10 |
| 15.2.06 | 116 15/32 | 116 19/32 | 7.71 | 7.67 |
| 15.5.16 | 101 10/32 | 101 12/32 | 7.39 | 7.36 |

*Source: Salomon Inc.*

## SELECTED U.S.A./O.T.C. QUOTATIONS

| | BID | ASK |
|---|---|---|
| Bitter Corp. | 3½ | 4 |
| Chiron | 22¼ | 22¾ |
| GoodMark Foods | 9⅝ | 10⅛ |
| MAG Holdings | 4⅞ | 5⅜ |
| Spectradyne | 17 | 17¼ |

WITH COMPLIMENTS OF CONTINENTAL AMERICAN

*These are indicative prices as of Dec. 11, 1986*

صورة من الأصل



# New International Bond Issues

*Compiled by Laurence Desvilettes*

| Issuer | Amount (millions) | Mat. | Coup. % | Price | Price end week | Terms |
|---|---|---|---|---|---|---|
| **FLOATING RATE NOTES** | | | | | | |
| African Development Bank | DM 200 | 1997 | ¼ | 100 | 100.10 | Over 6-month Libor. Callable at par in 1992. Fees 0.35%. Payable in Jan. |
| Merrill Lynch Trust VI | $200 | 2018 | ½ | 100 | — | Over 3-month Libor. Average life 3.2 years. Collateralized with mortage obligations. Fees 0.375%. Payable in Jan. |
| **FIXED-COUPON** | | | | | | |
| Brierley Investments Overseas | $75 | 1992 | 7¼ | 100¼ | 98.88 | Noncallable. Exchangeable until 1990 for a noncallable FRN due 1992 and paying 0.20 over 3-month Libor. Fees 1⅞%. Denominations $10,000. Payable in Jan. |
| BT Holdings | $100 | 1991 | — | 101⅜ | — | Semiannual coupon will start at 5.80% and rise to 8.31%. Holders may chose to collect interest at will: semiannually or in lump sums. Noncallable. Fees 1⅞%. Denominations $500,000. Payable in Dec. |
| Creditanstalt-Bankverein | $100 | 1990 | 10 | 101¼ | — | Noncallable; Redemption amount at maturity will be linked to the U.S. Treasury's 7¼% bond due 2016, decreasing if price rises, and vice versa. Fees 1⅛%. $50 million issued now and $50 million reserved for tap. Payable in Jan. |
| Dayton Hudson | $100 | 1992 | 7½ | 101¼ | — | Noncallable. Fees 1⅞%. Payable in Jan. |
| European Investment Bank | $100 | 1993 | 7⅜ | 101⅞ | 100.13 | Noncallable. Fees 1⅞%. Payable in Dec. |
| KHD Dutch Finance | $75 | 1994 | 8 | 99½ | 97.25 | Noncallable. Fees 1⅞%. Payable in Jan. |
| Régie des Téléphones et Télégraphes | $100 | 1992 | 7⅜ | 100⅜ | — | Noncallable. Fees 1⅞%. Denominations $250,000. Payable in Jan. |
| Union Bank of Finland | $100 | 1992 | 7½ | 100 | — | Noncallable. Fees 1⅞%. Payable in Jan. |
| European Investment Bank | DM 150 | 1997 | 6⅛ | 100 | 99.25 | Callable at 101½ in 1994. Fees 1⅞%. Payable in Jan. |
| KHD Dutch Finance | DM 150 | 1996 | 6½ | 99½ | 97.50 | Noncallable. Fees 2½%. Payable in Dec. |
| Peugeot Finance Int'l | Lire 50,000 | 1992 | 10¼ | 99 | 96.50 | Noncallable. Fees 1⅞%. Payable in Jan. |
| Denmark | ECU 100 | 1992 | 7¼ | 101⅜ | 99.38 | Noncallable. Fees 1⅞%. Payable in Jan. |
| Denmark | ECU 125 | 1994 | 7⅜ | 101⅜ | 99.48 | Noncallable. Fees 1⅞%. Payable in Jan. |
| Industrial Bank of Japan | ECU 80 | 1994 | 7¾ | 100⅜ | 99.13 | Noncallable. Fees 1⅞%. Payable in Jan. |
| Rémy Finance | ECU 40 | 1992 | 7⅜ | 101⅝ | 99.75 | Noncallable. Fees 1⅞%. Payable in Jan. |
| South Australian Government Financing Authority | ECU 75 | 1997 | 7¾ | 100⅛ | 97.13 | Noncallable. Fees 2%. Payable in Jan. |
| Kellogg Salada Canada | C$ 50 | 1992 | 9 | 101¼ | 98.88 | Noncallable. Fees 1⅞%. Payable in Jan. |
| Quebec Province | C$ 150 | 1997 | 9 | 100⅜ | 98.00 | Noncallable. Fees 2%. Payable in Jan. |
| Fanmac Overseas Number 1 | Aus$ 50 | 1992 | 15½ | 100½ | 98.50 | Callable at 100½ in 1990. Fees 2%. Payable in Jan. |
| GMAC Australia Finance | Aus 40 | 1990 | 14½ | 101¼ | 99.63 | Noncallable. Fees 1½%. Payable in Jan. |
| KB-Ifima | Y 6,538 | 1991 | 7½ | 101⅞ | — | Redeemable at maturity in U.S. dollars at a fixed exchange rate of 168 yen per dollar. Noncallable. Payable in Dec. |
| Midland Int'l Financial Services | Y 15,000 | 1992 | — | 101⅞ | — | Only one coupon will be paid, between Jan. 1989 and maturity date, which will be linked to IBJ's 5-year domestic notes. Noncallable. Fees 1⅞%. Denominations 1 billion yen. Payable in Jan. |
| Mitsui & Co. | Y 20,000 | 1992 | 8 | 101⅞ | — | Noncallable. Redeemable at maturity in U.S. dollars, at a fixed exchange rate of 173.49 yen per dollar. Fees 1⅞%. Payable in Jan. |
| **EQUITY-LINKED** | | | | | | |
| Development Bank of Singapore | $100 | 200 | 4 | 100 | — | Callable at 101 in 1991. Convertible at Sing.$9.05 per share and at Sing.$2.181 per U.S. dollar. Fees 2½%. |
| Jacobs Suchard Int'l Finance | $150 | 1994 | 3 | 100 | 101.00 | Callable at par in 1992. Each $5,000 note with five 4-year warrants exercisable into one bearer participation certificate at 860 Swiss francs and five 6-year warrants exercisable into one BPC at 900 francs. Fees 2¼%. Payable in Jan. |
| Kajima | $100 | 1991 | open | 100 | 105.00 | Coupon indicated at 3⅛%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2⅛%. Terms to be set Dec. 15. Payable in Jan. |
| Meiji Milk Products | $50 | 1992 | open | 100 | 107.00 | Coupon indicated at 3⅛%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2⅛%. Terms to be set Dec. 15. Payable in Jan. |
| Yves Saint-Laurent Int'l | $75 | 2001 | 6 | 100 | — | Each $100,000 note repayable in 6,285.72 YSLI shares. Redeemable any time in shares, or, if still unlisted, in cash at 140% in 1992 to yield 11%. Callable in shares any time after they get listed. Each $100,000 note with 1,082 warrants exercisable into YSL shares at a 10% discount. |
| Jacobs Suchard Int'l Finance | DM 100 | 1997 | 2¾ | 100 | 101.50 | Callable at 101½ in 1994. Each 2,000-mark note with one 4-year warrant exercisable into one bearer participation certificate at 860 Swiss francs and one 6-year warrant exercisable into one BPC at 900 francs. Fees 2½%. Payable in Jan. |
| Dixons Group Capital | £ 68 | 2002 | 6¾ | 100 | 101.75 | Callable at 101 in 1994. Convertible at 367 pence per share, an 11.89% premium. Fees 2½%. Terms to be set Dec. 18. Payable in Jan. |
| Thorn-EMI | £ 60 | 1992 | 7⅜ | 100 | 101.50 | Noncallable. Each £1,000-note with 216 warrants, each exercisable into one share at 555 pence, a 16% premium. Fees 2¼%. Payable in Jan. |
| Pacific Western Airlines | C$ 75 | 1996 | 7⅜ | 100 | 99.75 | Semiannually. Callable in 1991. Convertible at C$24 per share, a 20% premium. Fees 2⅜%. Payable in Dec. Part of a C$250 million package, remaining C$175 million issued domestically. |

# Bond Prices Eroded by Oil Figures

By H.J. Maidenberg
*New York Times Service*

NEW YORK — Bond market sentiment was depressed again Friday by a further rise in oil prices, as well as rising volumes of corporate and municipal bond offerings.

But after bond prices registered moderate losses early in the session, the declines were pared in the afternoon because of a recovery in the Treasury bond futures market, dealers noted.

**U.S. CREDIT MARKETS**

The government released new economic data, reporting a rise of 0.2 percent in the November Producer Price Index and an increase of 0.6 of 1 percent in October inventories. But dealers said the two reports had no significant impact on bond prices because they were in line with market expectations.

In late trading, the offered price on the bellwether long-term Treasury issue, the 7½-percent bonds of 2016, was down 15/32, to 101 11/32, to yield 7.39 percent, or two basis points more than a week ago. In Chicago, the spot December bond futures closed off 3/32, at 99 27/32, while the March contract dipped 2/32, to 98 26/32.

The basic lending rate, the interbank overnight federal funds rate, traded between 5⅞ and 6¼ percent all day, and the Federal Reserve again took no action to affect that rate outwardly, dealers said.

Bill discount rates also moved narrowly. The discount rate on the Treasury's three-month issue was basically unchanged at 5.49 percent, while the six-month issue gained two basis points, to 5.52 percent, and the current one-year bills rose two basis points, to 5.53 percent.

On Friday, the Treasury announced that it would auction $9.75 billion of one-year bills next Tuesday. As previously announced, the Treasury will sell $10.25 billion of two-year notes on Wednesday, and this issue was traded on a when-issued basis late Friday at prices to yield 6.23 percent. The $7.75 billion of four-year notes scheduled for auction next Thursday were traded to yield 6.58 percent.

Meanwhile, in the secondary market for Treasury notes, the offered price of the current 6¼-percent issue of 1988 fell 3/32, to 100 2/32, for a yield of 6.21 percent, and the 6⅝-percent issue of 1992 lost 5/32, at 99 28/32, and now yields 6.65 percent. Also in late dealings, the 7¼-percent notes of 1996 dropped 8/32, to 100 30/32, to yield 7.12 percent.

"The major factor holding back prices of Treasury coupon issues is the heavy volume of corporate debt that is slated for sale before the end of the year," said Maria F. Ramirez, first vice president and money market economist at Drexel Burnham Lambert.

**U.S. Consumer Rates**

| | Dec. 12 |
|---|---|
| Passbook Savings | 5.50 % |
| Tax Exempt Bonds — Bond Buyer 20-Bond Index | 6.94 % |
| Money Market Funds — Donoghue's 7-Day Average | 5.40 % |
| Bank Money Market Accounts — Bank Rate Monitor Index | 5.46 % |
| Home Mortgage, FHLB average | 10.34 % |

*Source: New York Times.*

## EUROPEAN COMMUNITY

# Delors, Thatcher Come to Verbal Blows on Policy

By Peter Maass
*International Herald Tribune*

BRUSSELS — Prime Minister Margaret Thatcher of Britain and Jacques Delors, president of the European Commission, are engaged in an unprecedented public squabble.

The dispute is rooted in both politics and personalities. Mrs. Thatcher, a Conservative, is serving as president of the Council of Ministers. Mr. Delors, a Socialist, has become increasingly frustrated by the frequent rejection of commission proposals.

The tension rose to the surface Dec. 6 at a joint news conference held by Mrs. Thatcher and Mr. Delors at the end of a European Community summit meeting in London. Later, the two leaders surprised the European Parliament with an exchange of verbal blows.

At the summit news conference, Mrs. Thatcher appeared to badger and mock Mr. Delors. After responding to a question about the EC's budgetary problems, she turned to Mr. Delors and said, "I am sure you would like to say something about that. If not, would you say it anyway?"

Mr. Delors, unaccustomed to such orders, flushed and fumbled for a response. "No, I am obliged to such discretion," he said in halting English.

As laughter filled the conference hall, Mrs. Thatcher sarcastically pressed Mr. Delors to at least confirm the accuracy of her comments on the budget and to voice enthusiasm for his task of solving the deficit problem.

Mr. Delors responded with two words, "I hope," and Mrs. Thatcher said in mock amazement, "I had no idea you were such a strong, silent man."

It came as no surprise after this oratorical drubbing that Mr. Delors turned on Mrs. Thatcher during a debate in the European Parliament on Tuesday. He voiced his disappointment with the meager results of the EC summit and chastized member countries for refusing to approve his technological research program.

Mrs. Thatcher assailed what she described as "hard-hitting" remarks by Mr. Delors.

"With respect," the British leader began, "I wish he had said some of these things in London. I did invite him to do so while he was sitting at the press conference with me. He was singularly quiet. We could have had a much more interesting debate then."

Mrs. Thatcher may get a chance to debate Mrs. Delors sooner than she expected. The Belgian government, which takes over the EC's rotating presidency Jan. 1, is planning a special EC summit meeting in March.

### EC Remains Unsatisfied With Japan Trade Policy

The EC's annual high-level talks with Japan on Thursday and Friday underscored the French adage, *"Plus ça change, plus c'est la même chose"* — "The more things change, the more they stay the same."

The Japanese delegation, which included Foreign Minister Tadashi Kuranari, Trade and Industry Minister Hajime Tamura and Technology Minister Yataro Mitsubayashi, pledged to hasten efforts to alter the structure of Japan's market to improve access for EC exports.

The community's delegation, led by External Relations Commissioner Willy de Clercq, warned that a further widening in the EC's trade deficit with Japan could have serious consequences for relations. The deficit is expected to reach a record $20 billion this year.

EC officials credited Tokyo with some improvements, notably in the banking field, but their comments at a news conference after the two-day meeting suggested that the EC remains far from satisfied.

"We welcome the liberalization" of banking, said Lord Cockfield, the EC commissioner in charge of banking. "But much more needs to be done."

Mr. de Clercq warned, "The evolution of our exchanges is unfavorable, deceptive and very worrying. We believe that certain concrete measures are necessary and that the Japanese government can take them quickly."

In a humorous gesture, Mr. de Clercq presented the Japanese delegation with bottles of Scotch whisky and French cognac. He noted pointedly that the spirits are exorbitantly expensive in Japan because of high import taxes.

### Commission Squares Off Against Tobacco Lobby

The commission, squaring off against Western Europe's powerful tobacco lobby, has called for a major campaign to persuade EC nationals to quit smoking.

The commission unveiled a three-year, 40 million European currency unit ($38.8 million) program that calls for increased taxes on cigarettes, an end to duty-free sales of cigarettes and a reduction of EC tobacco production.

"At some point," said Social Affairs Commissioner Manuel Marin, "you have to make a choice between fighting cancer and protecting the interests of the tobacco industry."

"We can't go on kidding ourselves," he said. "We know the main causes of cancer and we have to take action on those we know we can combat."

About one-quarter of the program's funds would be channeled into cancer research and another portion would go toward a public campaign against smoking.

The project, which must be approved by EC ministers, would climax in 1989, which has been designated the "European Year against Cancer."

# WANG: *Change of Leadership Comes at Critical Time*

(Continued from first finance page)

sons," published this year, An Wang said he intended to remain chairman long enough so that Frederick, who joined the company in 1972, could demonstrate sufficient skills to succeed him.

"Fred will have responsibility for almost all operations," he said, adding that it is now "the best time for him to learn the business" because "there are problems to resolve."

The succession held little surprise for present and former employees. "If he can turn things around now, he will prove his mettle as a manager," said John Cunningham, chairman of Computer Consoles Inc., who resigned as Wang's president in July 1985.

Frederick Wang has moved quickly. Within hours of his selection as president Nov. 19, he appointed Ian Diery, 37, to head the company's U.S. sales operation. Analysts believe Mr. Diery, an Australian marketing expert who had been in charge of Wang's foreign sales, will play a role almost as important as the president's if the company's sagging fortunes are reversed.

After a year and a half of erratic earnings, Wang has incurred severe losses in recent months. For its first quarter in the 1987 fiscal year, ended Sept. 30, the company reported a loss of $30 million, compared with net income of $7 million, or 5 cents a share, in the corresponding period last year. Revenues increased 8 percent, to $597.9 million.

Analysts blame sluggish sales throughout the computer industry and in the minicomputer market in particular for Wang's downturn. Its problems have been aggravated by large losses at Intecom Inc., a Texas manufacturer of electronic switching systems that Wang acquired in September.

Reacting to the downturn, Wang has made deep cuts in its work force. In July, it offered voluntary retirement incentives that have been accepted by 1,600 employees. That followed the elimination of another 1,600 jobs last year, its first layoffs in more than a decade. The cutbacks have left Wang with about 30,000 employees.

The company's class B voting stock, which traded at more than $40 a share in 1983, has been in a steep downward slide. (It closed Friday on the American Stock Exchange at $12.50, unchanged.)

An Wang, Frederick and other members of the family, including Frederick's brother, Courtney, 29, a Wang vice president, control 39.6 million shares, or 28 percent, of all Wang stock, including nonvoting class C shares.

Frederick Wang, who has a degree in mathematics from Brown University, said Wang's immediate objective is to be profitable this year.

His face boyish under prematurely gray hair, he added that his job is far different from the one his father had when Wang was still a relatively small, entrepreneurial concern. "I've got to delegate more authority," he said.

An Wang, raised near Shanghai, became a pioneer in computer research while still studying for his Ph.D. At the age of 28, he invented one version of the magnetic-core memory that was to be a central component in computer design for two decades.

After founding Wang Laboratories in a South Boston loft in 1951, he developed a string of highly successful products. They included sophisticated desk calculators, which the company marketed to scientists and engineers during the 1960s, and Wang's word-processing systems, sold to thousands of companies during the 1970s.

Along the way, earnings soared. For two decades before the 1985 fiscal year, when Wang reached its peak net income of $210.2 million, its earnings increased by an average of 40 percent a year.

After being hit by problems in 1985, including the departure of Mr. Cunningham and other key executives and waning demand for word-processing systems, An Wang took upon himself a brutal work schedule as both chairman and president. With earnings in a tailspin, and with employee morale suffering, he traveled almost constantly to visit Wang plants and call on customers across the country.

He denied speculation by some analysts that the rigors of the last year had prompted him to promote his son sooner than he otherwise might have. Instead, he said, the decision was made because Frederick, after 14 years in the company, was ready for more responsibility.

**An Wang says the appointment of his son represents a broad shift in management authority.**

One problem facing Frederick results from a series of delays that have plagued its top-of-the-line minicomputer, the VS-300. Introduced in 1983 as one of several new Wang computers, the machine had software problems that put off many potential customers.

Computer industry experts say the problems have been corrected. But Wang's reputation for reliability has been damaged. "Wang has a credibility problem on its hands," said Stephen Smith of the New York brokerage house, Paine Webber Group Inc.

Difficulties with the VS-300 have done little to enhance Frederick Wang's own image, since the computer was developed — and offered prematurely to customers — while he was in charge of Wang's research and development operations.

In contrast to An Wang, who gained the devotion of hundreds of the company's engineers, Frederick has been reputed to be impatient and sometimes overbearing.

For his part, Frederick Wang acknowledged making mistakes, but added, "There is a maturing process that takes place with most managers, and I am not an exception."

While he receives some criticism, Mr. Wang is also getting high marks on Wall Street for his selection of executives to head key departments. Among them is Horace Tsiang, a highly regarded engineer, who now heads research and development.

"The conventional wisdom is that Fred Wang did a bad job in research and development, but he has also shown a knack for choosing the right people to get things done," said Daniel Chertoff of Sanford C. Bernstein & Company.

Wang said orders for the VS-300, although sluggish through most of the first quarter, picked up rapidly before the quarter ended Sept. 30, after several outside experts concluded that its software problems were resolved.

Mr. Chertoff estimated that sales of Wang's largest minicomputers, including the VS-300, would rise rapidly from $38 million in the first quarter to more than $100 million during the fourth quarter, ending next June 30.

One advantage for Wang is that its success in marketing word processers — far less expensive and sophisticated machines than the minicomputers — has made its brand name known at thousands of companies.

Still, marketing minicomputers requires a different strategy. Instead of selling its products to department heads or line managers — as it has with word processers — Wang's sales personnel must now deal directly with management information systems managers, the executives who control company computer planning and who tend to have experience dealing with computer companies larger than Wang.

# OPEC: *Talks Bog Down*

(Continued from Page 1)

pact; and whether Iraq should be included in a final agreement.

Delegates said resolution of these questions was "indispensable" but cautioned that the question of possibly setting a target price of $18 would also have to be resolved before an agreement could be signed. Iran is said to be proposing that one grade of oil be used as a benchmark price, while other cartel members are pushing for a basket of crudes to be pegged to an $18 benchmark price.

"We haven't gotten any progress or any formal proposals on prices yet," a delegate said privately.

Although Hisham Nazer, the acting Saudi Arabian oil minister, has yet to show his nation's hand in the deliberations, several petroleum ministers, including Javier Espinosa Terán of Ecuador, said they expected the Saudi position to be made clear early this week.

"It has to come soon," a delegate said. "We can get nowhere without it."

When asked if efforts to reach a quick agreement had ended, a delegation source said: "Not at all. There is a will to cut back, but just not the details yet. It looks like 5 to 10 percent, somewhere between the two."

The political problem bedeviling the cartel is the dispute between Iran and Iraq, which have been at war for more than six years.

Iraq was excluded from a quota-setting agreement reached in August that raised prices to $15 from lows in July of $9. Oil ministers realized at the time that only a majority agreement on quotas was possible, since Iraq, which had a daily quota of 1.2 million barrels, has insisted on equality with Iran, which has a quota of 2.3 million barrels.

Iran was said by delegates to be insisting on restoring Iraq to the agreement but to be unwilling to accept it being given a higher quota.

# EUROBONDS: *Market Saw Record Volume in '86, but Growth Slowed*

(Continued from first finance page)

lump sums, with all the interest at the start (5.8 percent paid five times) or all at the end (8.31 paid five times). The structure is aimed at providing investors with a flexible cash flow.

In the equity-linked market, Yves Saint Laurent raised $100 million, topping the $465 million raised in the credit-market to finance its $630-million purchase of Charles of the Ritz from Squibb Corp.

The perfume and cosmetics holdings will be held in a new company called Yves Saint Laurent International.

The equity offering consisted of a placement of $25 million worth of YSLI stock. The 1.65 million shares were sold at 100 French francs ($15.15) each.

The remaining $75 million was raised through equity notes. Sold in units of $100,000, these 15-year notes bear annual interest of 6 percent and are redeemable in YSLI stock. Each note is worth 6285.72 shares valued at $15.90 each.

With neither Yves Saint Laurent SA, the French fashion house, nor YSLI listed on any stock exchange, these were the first offerings of stock in companies that are not yet public.

If YSLI is not listed by 1992, note holders can request redemption in cash at a premium of 140 percent, which would give them a yield of 11 percent.

The notes also carry warrants to buy YSL shares at a price to be fixed at 10 percent below the level at which YSL stock is sold when the company goes public.

The equity-linked market also saw its first convertible bond denominated in Canadian dollars. Pacific Western Airlines issued 75 million dollars of 10-year, 7⅝ percent bonds convertible into shares at a 20-percent premium.

Another first was mortgage-backed securities in the Australian-dollar sector. Fanmac Overseas, a special purpose company created by First Australian National Mortgage Acceptance Corp., borrowed 50 million dollars that will be serviced by the income from a pool of residential mortgages in New South Wales.

Although the paper is not guaranteed, the state of New South Wales is committed to making up any deficiencies in income needed to service the debt. The five-year paper carries a coupon of 15½, pitched high to overcome investor resistance.

The market for European currency units was active last week with five issues launched. Bankers say Japanese investors prefer ECU over DM paper because of the higher coupon, but that demand is concentrated on sovereign or supranational paper.

Remy Finance fit neither category, but the five-year paper issued by the French spirits company found a good response in Switzerland.

# LOANS: *Hungary Accord*

(Continued from first finance page)

million, two-year note facility on which it is offering underwriters an an annual fee of 7½ basis points. If the company draws on the credit it will pay 15 basis points over Libor.

All three of these operations are being managed by Chemical Bank International Ltd.

Metropolitan Life Insurance Co. is seeking a $200 million, five-year revolving credit. Lenders will be paid a commitment fee of seven basis points on an any amount unused. The charge to draw the loan is 17½ basis points over Libor for up to half the total and 22½ basis points over Libor on the remainder. Credit Suisse First Boston is arranging this loan.

UTA, the French airline, is seeking $80 million for 10 years and will pay 12½ basis points over Libor for the first three years, 3/16 over Libor for the next three years and ¼ over Libor for the final four years.

Thailand's 10-year loan has been increased to $350 million from the $300 million initially indicated after $218 million was raised in syndication.

# Japan Is to Cut Coal Output by 40%

By Sam Jameson
*Los Angeles Times Service*

TOKYO — The government has decided to reduce Japanese coal production by nearly 40 percent over the next five years, to 10 million tons a year. The move will eliminate the jobs of more than 10,000 of the country's 24,000 miners and result in increased coal imports.

The decision, announced recently, is widely regarded as the beginning of the end of government support for the domestic coal mining industry, which produces coal at a much higher price than most coal-exporting countries.

Officials said that the move was the first concrete step in line with Prime Minister Yasuhiro Nakasone's promise in April to implement the controversial Maekawa Report, which called for transforming Japan's export-oriented economy by emphasizing domestic sources of growth and boosting imports in uncompetitive industrial sectors.

The report was prepared by a commission headed by Haruo Maekawa, a former president of the Bank of Japan.

The decision to cut coal production, made by the Ministry of International Trade and Industry, followed recommendations submitted late last month by the Coal Policy Council. An annual domestic production limit of 10 million tons by the end of fiscal 1991 is expected to result in the closure of at least six of Japan's 11 major mines.

The decision was announced after the ministry held negotiations with the steel industry and the electric power industry.

The steelmakers agreed to buy 1.7 million tons of coking coal in the current fiscal year at a price of $155.75 a ton — 1.45 million tons less than last year and $6.25 less a ton. The ministry agreed to free the steelmakers from any obligation to buy domestic coal beginning in fiscal 1991.

The nine electric power companies agreed to buy steam coal at gradually reduced levels, from about 12 million tons last year to 8.5 million tons by 1990. The power companies will pay $125 a ton, $3.13 less than last year.

At the end of September, the import price of coking coal from the United States was $61.20 a ton, from Canada $66, and from Australia $47, according to the Japan Coal Association. Steam coal used in the production of electricity was being imported from Canada at $43.10 a ton and from Australia, at $40.70.

The ministry refused to give in to the power companies' demands for a specific date for an end to required purchases of domestic coal. But Sho Nasu, chairman of the Electric Enterprises Federation, said that the companies' agreement to buy 8.5 million tons in 1990 was not a promise but just a "goal we will make efforts to achieve."

There are hints that the coal production cutback will go even beyond the announced figure. Analysts said the power companies expect more mines to close than the Coal Policy Council's production goal implies. This would reduce the amount of domestic coal available to the power companies to less than 8.5 million tons a year.

Although the government is expected to provide large subsidies to help retrain and relocate displaced miners, the council said subsidies to keep mines operating should be discontinued.


## COMPAGNIE ÉLECTRO-FINANCIÈRE

### Income up 55 %
### Dividend increased to FF 48.75 per share

At its annual shareholder meeting, Compagnie Electro-Financière, a publicly traded holding company and member of the CGE Group, reported results of operations for the fiscal year 1985/1986 ended June 30, 1986.

Ordinary income from continuing operations before taxes increased by 55%, to FF 88.1 million, as against FF 56.9 million in the prior year. Extraordinary earnings, primarily from capital gains, totaled FF 63.7 million. Net earnings after taxes amounted to FF 130.7 million.

The dividend per share was increased to FF 48.75, including a FF 16.25 "Avoir fiscal" tax credit. Due to a 38% increase in the total number of shares outstanding from the year-earlier level, total dividend distribution attributable for the 1985/1986 fiscal year increased by 43%, to FF 44.7 million.

Compagnie Electro-Financière's high-quality diversified portfolio comprises three types of holdings:
- investments in the CGE Group companies, most of them listed on the Paris Stock Exchange (Alsthom, Alcatel, Câbles de Lyon), typically at a level close to 10%;
- significant investments in companies outside the CGE Group, essentially in Générale Occidentale;
- investments in real estate and debt securities.

During the year, Compagnie Electro-Financière's capital increased by 85%, thanks to two capital increases totaling FF 850 million and to a particularly high proportion of dividends taken in shares rather than cash.

During the year, Compagnie Electro-Financière made several major deployments of the proceeds of the capital increases:
- it participated in the capital increases of CGE Group members Alsthom, Alphalec-Electronique, in order to maintain its proportionate ownership position in these companies;
- it acquired a 10% interest in Câbles de Lyon, a CGE Group company later successfully listed on the Paris Bourse, and a 4% interest in CGEE-Alsthom, a privately held Group company;
- finally, it strengthened its bond portfolio.

Since the close of the year, Compagnie Electro-Financière acquired 38,350 Presses de la Cité shares for a total of FF 105 million. These shares are being tendered to Générale Occidentale pursuant to its exchange offer, enabling the Group to maintain its indirect minority control of Générale Occidentale.

On the basis of the Paris Stock Exchange prices on December 5, 1986, the estimated market value of the Company's portfolio totaled FF 2.8 billion – 63% above its book value – or FF 1,081 per share. On the same day the Electro-Financière share was priced at FF 988, dividend paid.

In generally favorable market conditions, the Company's shares have performed well and thanks to an increasing trading volume, were upgraded to the monthly settlement market, the highest tier of the Paris Stock Exchange. For the fourth consecutive year, the Company's shareholders will be given the option to receive their dividends in share form rather than cash, the subscription price being FF 892.

The present fiscal year should see further progress both in terms of ordinary income and of dividend distributions. Thus, in spite of another significant increase in the number of shares outstanding, Compagnie Electro-Financière should be able to maintain its longstanding policy of regular dividend increases.

*Further information may be obtained upon request from:*
*Compagnie Electro-Financière*
*12, rue de la Baume*
*75008 Paris, France.*

CGE

# NASDAQ National Market

*OTC Consolidated trading for week ended Friday. Dec. 11*

| | Sales in 100s | High | Low | Close | Net Ch'ge |
|---|---|---|---|---|---|
| **A** | | | | | |
| ABS .60 3.3 | 55 | 18½ | 18 | 18 | |
| AC Tel | 63 | 4¼ | 3½ | 4 | — ¼ |
| ADC s | 683 | 21¾ | 20¾ | 21¼ | + ½ |
| AEC .32 3.4 | 9 | 10 | 9½ | 9½ | |
| AEL | 839 | 11¼ | 10½ | 11 | — ¼ |
| AEP | 1029 | 8 | 6¾ | 7½ | + ¾ |
| AIFS | 82 | 9 | 8½ | 8½ | |
| AIM Tel | 89 | 4½ | 4¼ | 4½ | + ¼ |
| ALC Cm | 2596 | 3⅛ | 2¾ | 2¾ | — ⅜ |
| ARC Intl | 118 | 3¼ | 3 | 3⅛ | — ⅛ |
| ASK | 4498 | 12½ | 12¼ | 12¾ | — ¼ |
| AST | 6336 | 14⅝ | 12¾ | 12¼ | —1¾ |
| AT&E | 5126 | 13 | 10¾ | 12¾ | — ¼ |
| ATI | 1475 | 7¼ | 6½ | 6½ | — ¾ |
| AW A | 698 | 3 | 2¾ | 3 | |
| AaronBr | 2186 | 6¼ | 6 | 6 | |
| AaronRt .05e .3 | 481 | 16 | 15¾ | 15¾ | — ⅜ |
| Abrams .24 3.3 | 37 | 8 | 7¾ | 7¾ | — ½ |
| AcaJoe | 9101 | 2¼ | 1⅞ | 2⅛ | — ⅛ |
| Acadin | 1976 | 2⅞ | 2⅛ | 2⅛ | |
| Acelrin † | 559 | 8¾ | 7¾ | 7¾ | — ⅝ |
| Aceptin | 4 | 8¾ | 8¾ | 8¾ | —1 |
| AcuRay .28 1.3 | 2212 | 22¾ | 21⅛ | 21⅞ | — ½ |
| Aceto .14r .8 | 161 | 17¾ | 16¾ | 17 | — ⅛ |
| ACMAT | 9 | 14½ | 13¼ | 13¼ | —1¾ |
| AcmeSt | 1842 | 10¾ | 10⅜ | 10⅜ | |
| Actvsn | 1059 | 1⅛ | 1 | 1⅛ | — ⅛ |
| Actmed | 524 | 28¼ | 27¼ | 27¼ | — ½ |
| Acusn | 2977 | 12¾ | 11½ | 12 | — ½ |
| AdacLb | 1069 | 1¾ | 1⅝ | 1⅝ | — ⅛ |
| Adage | 645 | 2¾ | 2½ | 2½ | |
| AdRsIEl | 2518 | 15¼ | 14¾ | 14½ | — ¾ |
| Adaot | 2449 | 12¾ | 11¾ | 12¼ | — ⅛ |
| AdlsnW .90 2.4 | 325 | 37½ | 36¾ | 36¾ | — ¼ |
| Adia s .10 .7 | 199 | 15¼ | 14¾ | 15 | |
| Admac | 2054 | 3 | 2⅝ | 2⅝ | — ⅝ |
| AdvCir | 286 | 3¾ | 3½ | 3½ | — ¼ |
| AdCor | 124 | 4½ | 4 | 4¼ | — ¼ |
| AdvGen | 1084 | 4⅝ | 4¼ | 4½ | — ¼ |
| AdvMoa | 339 | 6¾ | 6 | 6½ | — ¼ |
| AdvSem | 1315 | 3½ | 3 | 3⅛ | + ⅛ |
| AdvTel | 1905 | 9¾ | 9 | 9¼ | + ½ |
| Aequirn | 1803 | 7½ | 6¾ | 6¾ | — ⅜ |
| Aegon .47r 1.2 | 107 | 38⅜ | 38½ | 38½ | — 1 |
| AerSvc | 1406 | 3¾ | 3⅜ | 3¾ | — ⅛ |
| AeroS pf | 118 | 14¾ | 14 | 14 | — ¼ |
| AerSysI | 361 | 1⅝ | 1⅜ | 1½ | — ¼ |
| AllBcp .25l | 53 | 7¼ | 6⅞ | 7⅛ | + ¼ |
| AllBsh .50l | 4112 | 10⅜ | 9⅜ | 10¼ | |
| AgcyR s † | 1018 | 20½ | 19¼ | 20¼ | + ¼ |
| Agnico g .20 1.0 | 2856 | 19½ | 18⅝ | 19¾ | — ¼ |
| AldCo .24 2.1 | 89 | 12 | 11½ | 11½ | — ½ |
| AirCrg s | 232 | 4¼ | 3¾ | 4⅛ | + ⅛ |
| AirMd .10e 3.8 | 1728 | 2⅝ | 2⅞ | 2⅝ | — ⅛ |
| AirWisc | 6358 | 12½ | 11½ | 12¼ | + ⅛ |
| AlaFdl | 147 | 18½ | 18 | 18¼ | |
| AlskBc .18e 4.8 | 199 | 4 | 3⅞ | 3¾ | — ¼ |
| AlskMt .25 8.3 | 350 | 3½ | 2⅞ | 3 | + ⅛ |

# Mutual Funds

*Figures as of close of trading Friday Dec. 11*

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

| | Bid | Ask |
|---|---|---|
| **AARP Invst:** | | |
| CapGr | 21.52 | NL |
| GinlM | 16.23 | NL |
| GenBd | 16.00 | NL |
| GthInc | 21.55 | NL |
| TxFBd | 16.89 | NL |
| TxFSh | 15.65 | NL |
| **ABT Midwest:** | | |
| Emrg | 9.14 | 9.99 |
| GthInc | 11.56 | 12.63 |
| IntGv | 10.81 | 11.13 |
| LG Gvt | 10.81 | 11.26 |
| LG Gth | 13.43 | 14.10 |
| SecInc | 11.33 | 12.38 |
| UtilInc | 15.42 | 16.85 |
| ADTEK | 11.69 | NL |
| **AIM Funds:** | | |
| Chart | 8.16 | 8.57 |
| Constl | 21.32 | 22.38 |
| CvYld | 11.84 | 12.43 |
| Grnwy | 10.67 | 11.20 |
| HIYld | 9.79 | 10.28 |
| Sumit | 7.21 | |
| Weing | 17.98 | 18.88 |

## Wall Street Review

### AMEX Most Actives

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| Wickes | 46676 | 3½ | 3⅛ | 3⅜ | |
| WangB | 17735 | 13½ | 12¾ | 12½ | — ⅜ |
| Husky g | 16673 | 8¼ | 8 | 8 | + ⅛ |
| Amdahl | 13624 | 25¼ | 23½ | 25 | +1½ |
| GifCda n | 10220 | 10⅝ | 10 | 10⅜ | + ½ |
| LorTel n | 10109 | 19⅝ | 17¾ | 17¾ | —1 |
| TexAir | 9854 | 37 | 35¾ | 35¾ | —1¾ |
| Amrcr n | 9304 | 12¾ | 12⅛ | 12½ | |
| WhrEn s | 8928 | 15¾ | 14⅜ | 15⅛ | |
| Cominc | 8139 | 9⅝ | 9⅛ | 9⅛ | —⅜ |
| NYTime s | 7504 | 38¼ | 35⅜ | 36½ | — ⅜ |
| Hasbr s | 7485 | 22¼ | 20⅝ | 20⅞ | —1½ |
| BAT | 7301 | 6⅝ | 6⅜ | 6½ | + ⅛ |
| TrnBd pf | 7239 | 8⅝ | 8⅛ | 8½ | + ⅜ |
| [illegible] | 6745 | 3⅞ | 3¼ | 3⅜ | — ⅜ |
| ImpOil g | 6510 | 36⅝ | 34⅝ | 35½ | +1 |
| ICH s | 6490 | 21⅝ | 19⅝ | 20 | —1⅛ |
| IntThr | 6181 | 1¼ | 1 | 1⅛ | + ⅛ |
| TotlPt g | 6143 | 18⅝ | 17¼ | 17⅝ | + ⅛ |
| EchoB g | 5969 | 22⅞ | 21⅛ | 22½ | + ⅛ |
| MayIn | 5438 | 31⅛ | 30¼ | 31 | + ⅜ |
| AM Intl | 5341 | 6⅝ | 6¼ | 6½ | |
| HmeSh s | 4736 | 38⅝ | 36⅝ | 36⅝ | —1⅝ |
| FAusPr n | 4636 | 9 | 8⅝ | 9 | + ⅛ |
| GrtLkC | 4396 | 37⅛ | 35⅛ | 35⅝ | —1½ |

### NYSE Most Actives

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| BrGas pp | 165879 | 9⅜ | 8⅝ | 9½ | |
| PacGE | 139473 | 25⅛ | 23⅞ | 24½ | — ½ |
| DetEd | 113603 | 18½ | 17¾ | 17½ | — ¼ |
| AT&T | 99312 | 27⅝ | 26⅝ | 26⅝ | — ⅞ |
| CorlHw | 77525 | 57½ | 45½ | 50⅛ | —2⅝ |
| IBM | 71719 | 129⅝ | 125⅝ | 126½ | —3 |
| USFG | 67955 | 41⅞ | 40 | 40½ | —1 |
| Ownill s | 62508 | 52¼ | 43⅜ | 50⅝ | [illegible] |
| Exxon | 58475 | 71½ | 69⅞ | 71⅛ | +2½ |
| UCarb s | 50495 | 23½ | 22½ | 22½ | — ½ |
| Mobil | 48183 | 40⅞ | 38½ | 40 | + ⅛ |
| BaxtTr | 46696 | 20⅝ | 19½ | 20 | + ⅛ |
| ChesPn | 45427 | 72½ | 71⅜ | 71⅝ | |
| CocaCl s | 45273 | 39⅝ | 37 | 37⅝ | — ¼ |
| PhilMr s | 45000 | 75⅝ | 73⅝ | 74½ | — ⅛ |
| USX | 44228 | 21¾ | 21 | 21⅛ | |
| GMot | 42901 | 71⅜ | 69 | 69⅝ | —1⅞ |
| EKodk | 42063 | 69⅝ | 66 | 68 | +1⅛ |
| Chevrn | 41938 | 48⅝ | 44⅞ | 48 | +2⅛ |
| Schlmb | 40919 | 34½ | 32½ | 33½ | — ⅜ |
| AlisPw | 40083 | 48¼ | 46⅞ | 46⅞ | — ⅝ |
| Sears | 39266 | 43⅝ | 40⅝ | 41⅞ | — ⅝ |
| AmExp | 38978 | 60⅞ | 58 | 58 | —2¾ |
| PhilPet | 38765 | 11⅝ | 10⅞ | 11⅛ | + ⅛ |
| TayRU s | 37109 | 32½ | 27⅜ | 27¾ | —3½ |

### AMEX Diaries

| | This Wk | Last Wk |
|---|---|---|
| Advanced | 251 | 344 |
| Declined | 499 | 418 |
| Unchanged | 178 | 165 |
| Total Issues | 928 | 927 |
| New Highs | 33 | 37 |
| New Lows | 91 | 67 |

### NYSE Diaries

| | This Wk | Last Wk |
|---|---|---|
| Advanced | 606 | 1114 |
| Declined | 1367 | 828 |
| Unchanged | 261 | 290 |
| Total Issues | 2234 | 2232 |
| New Highs | 77 | 184 |
| New Lows | 108 | 73 |

### AMEX Sales

| | Sales Vol. |
|---|---|
| Total for week | 56,460,000 |
| Week ago | 89,150,000 |
| Year ago | 74,040,000 |
| Jan 1 to date | 2,824,160,000 |
| 1985 to date | 1,371,170,000 |
| AMERICAN BONDS a | |
| Total for week | 16,470,000 |
| Year ago | 17,010,000 |

### NYSE Sales

| | Sales Vol. |
|---|---|
| Total for week | 689,040,000 |
| Week ago | 860,970,000 |
| Year ago | 827,420,000 |
| Two years ago | 416,000,000 |
| Jan 1 to date | 33,970,078,570 |
| 1985 to date | 26,203,310,000 |
| 1984 to date | 22,163,300,000 |

NL—No initial sales load. f—Previous day's quote. r—Redemption charge may apply. x—Ex dividend.

(Continued on next page)

هكذا من الأصل



# NASDAQ National Market

*OTC Consolidated trading for week ended Friday.*

(Continued)

| Stock | Sales in 100s | High | Low | Close | Net Ch'ge |
|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

# American Exchange Options

*Figures as of close of trading Friday.* Dec. 11

| Option & price | Calls | | Puts | |
|---|---|---|---|---|
| | Dec | Jan | Dec | Jan |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Total Volume: 184,932
Open Interest: 3,454,380
r—Not traded. s—None offered. o—Old.

# Chicago Exchange Options

*Figures as of close of trading Friday.* Dec. 11

| Option & price | Calls | | Puts | |
|---|---|---|---|---|
| | Dec | Jan | Dec | Jan |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Total Volume: 398,686
Open Interest 6,045,565
r—Not traded. s—None offered. o—Old.

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## Lorimar Ends Offer to Sell Its Metrocolor Unit

CULVER CITY, California — Lorimar-Telepictures Corp. has said an offer to sell its Metrocolor film processing division to rival Technicolor for $60 million has been terminated due to continued opposition by the U.S. government.

The owners of Technicolor, MacAndrews & Forbes Group of New York, "called off the sale in light of the opposition by the antitrust division" of the Justice Department, Barbara Brogliati, senior vice president of Lorimar-Telepictures said Friday.

The proposed transaction, which involved the two major competitors in the motion picture film-processing business, was attacked by the government as a move to lessen competition in the industry.

Federal attorneys on Thursday asked U.S. District Judge James Ideman to block the sale on grounds it would lead to higher processing fees for films and eventually to costlier movie tickets to the public.

Mr. Ideman issued a temporary restraining order Friday. He then scheduled another hearing for next Friday on a request for a preliminary injunction to extend the order.


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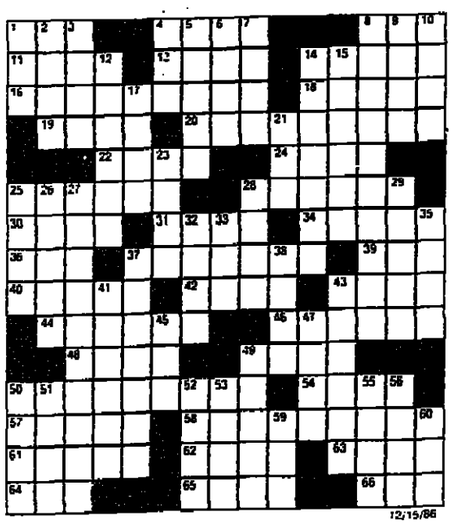


12/15/86

**ACROSS**

1 Perform
4 Complain
8 Sci. degree
11 Pairs
13 Classify
14 Resort
16 Urban halters
18 Hautboys
19 Smack
20 To the Orient
22 Centers
24 C.C.N.Y. or L.I.U.
25 A football kick
28 School brez.
30 Ex-G.I.'s
31 Soviet range
34 "—— Is Born"
36 I love: Lat.
37 Bathtub gadget
39 Short poem
40 Backslide
42 Pit
43 Revolve
44 Sums
46 Rubbed out
49 Peignoir
49 Sassy lass
50 Name on an envelope
54 Oil cartel
57 —— de menthe
58 Brake fast
61 Astor, Garden and Eddy
62 Faithful
63 —— about (approximately)
64 Rheine's river
65 Betray
66 Mata Hari, e.g.

**DOWN**

1 TV commercials
2 Slices
3 Cat's-paw
4 Pt. of T.G.I.F.
5 Spreads unchecked
6 Menace near Taormina
7 Hardy girl
8 Reese, Marion et al.
9 A Princetonian
10 Harry's First Lady
12 Turkish cavalrymen
14 Luxury vehicle
15 Lowers
17 Potato
21 Standoff
23 Cudgel
25 Sports site
26 Thread: Comb. form
27 Wall Street ploys
28 Mature
29 Thompson or Hawkins
32 Result of a QB sack
33 Mimic
35 Cleave
37 "Can Do" is their motto
38 Novelist Dorothy ——
41 Arlen's "—— Weather"
43 Lesbos poet: 7th century B.C.
45 "—— Misérables"
47 Spanish rivers
49 Capital of South Korea
50 Peak
51 Mite
52 Fast planes
53 To be, in Brest
55 Long periods
56 Farmer's pride
59 Clay or mud: Comb. form
60 Attempt

*New York Times, edited by Eugene Maleska.*

## DENNIS THE MENACE

"HERE, YOU CAN PUT THIS IN THE ATTIC. I WON'T BE USING IT AGAIN UNTIL AFTER CHRISTMAS."

## JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

IRRAB

NEVAK

SACCES

HURGOT

WHAT IT WAS FOR THE PEEPING TOM WHEN HE WAS CAUGHT LOOKING THROUGH AN OPEN WINDOW.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( )

(Answers tomorrow)

Friday's Jumbles: QUEER DOGMA BESIDE OUTLET
Answer: People with tireless energy soon become this—TIRESOME

# WEATHER

| EUROPE | HIGH C | HIGH F | LOW C | LOW F | |
|---|---|---|---|---|---|
| Algarve | 14 | 57 | 12 | 54 | o |
| Amsterdam | 4 | 39 | 4 | 39 | sh |
| Athens | 16 | 61 | 7 | 45 | fr |
| Barcelona | 10 | 50 | 2 | 36 | o |
| Belgrade | 1 | 34 | -1 | 30 | o |
| Berlin | 4 | 39 | -1 | 30 | cl |
| Brussels | 3 | 37 | 3 | 37 | r |
| Bucharest | — | — | — | — | ns |
| Budapest | -2 | 28 | -3 | 27 | o |
| Copenhagen | 4 | 39 | 1 | 34 | r |
| Costa Del Sol | 16 | 61 | 11 | 52 | r |
| Dublin | 4 | 39 | 0 | 32 | cl |
| Edinburgh | 3 | 37 | -1 | 30 | cl |
| Florence | 9 | 48 | 5 | 41 | o |
| Frankfurt | 6 | 43 | 1 | 34 | fr |
| Geneva | 7 | 45 | 5 | 41 | o |
| Helsinki | -6 | 21 | -11 | 12 | sw |
| Las Palmas | 21 | 70 | 13 | 55 | fr |
| Lisbon | 13 | 55 | 11 | 52 | o |
| London | 5 | 41 | 1 | 34 | cl |
| Madrid | 11 | 52 | 2 | 36 | fr |
| Milan | 3 | 37 | 2 | 36 | o |
| Moscow | -4 | 25 | -8 | 18 | sw |
| Munich | 5 | 41 | -1 | 30 | o |
| Nice | 11 | 52 | 8 | 46 | o |
| Oslo | 1 | 34 | 1 | 34 | sw |
| Paris | 6 | 43 | 2 | 36 | o |
| Prague | 2 | 36 | -2 | 28 | o |
| Reykjavik | 1 | 34 | -2 | 28 | sw |
| Rome | 15 | 59 | 8 | 46 | cl |
| Stockholm | 0 | 32 | 0 | 32 | sw |
| Strasbourg | 9 | 48 | 3 | 37 | cl |
| Venice | 6 | 39 | 2 | 36 | r |
| Vienna | 0 | 32 | -3 | 27 | sw |
| Warsaw | -1 | 30 | -2 | 28 | o |
| Zurich | 6 | 43 | 3 | 37 | o |

| MIDDLE EAST | | | | | |
|---|---|---|---|---|---|
| Ankara | 2 | 36 | -9 | 16 | o |
| Beirut | — | — | — | — | ns |
| Cairo | 19 | 66 | 11 | 52 | fr |
| Damascus | 13 | 55 | 1 | 34 | fr |
| Istanbul | 10 | 50 | 5 | 41 | cl |
| Jerusalem | 8 | 46 | 4 | 43 | r |
| Tel Aviv | 13 | 53 | 11 | 52 | r |

| OCEANIA | | | | | |
|---|---|---|---|---|---|
| Auckland | 22 | 72 | 12 | 54 | cl |
| Sydney | 25 | 77 | 20 | 73 | sl |

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

| ASIA | HIGH C | HIGH F | LOW C | LOW F | |
|---|---|---|---|---|---|
| Bangkok | 31 | 88 | 22 | 72 | fr |
| Beijing | 3 | 37 | -2 | 28 | fr |
| Hong Kong | 23 | 73 | 18 | 64 | fr |
| Manila | 29 | 84 | 26 | 79 | o |
| New Delhi | 18 | 61 | 7 | 45 | cl |
| Seoul | 9 | 48 | 0 | 46 | o |
| Shanghai | 11 | 52 | 16 | 61 | o |
| Singapore | 28 | 79 | 22 | 72 | r |
| Taipei | 24 | 75 | 17 | 63 | fr |
| Tokyo | 11 | 52 | 10 | 50 | r |

| AFRICA | | | | | |
|---|---|---|---|---|---|
| Algiers | 13 | 55 | 7 | 45 | ns |
| Cape Town | — | — | — | — | ns |
| Casablanca | 15 | 59 | 4 | 39 | o |
| Harare | — | — | — | — | ns |
| Lagos | 28 | 82 | 23 | 73 | cl |
| Nairobi | — | — | — | — | ns |
| Tunis | 17 | 63 | 8 | 46 | cl |

| LATIN AMERICA | | | | | |
|---|---|---|---|---|---|
| Buenos Aires | 25 | 77 | 17 | 63 | fr |
| Caracas | — | — | — | — | ns |
| Lima | 22 | 72 | 21 | 70 | o |
| Mexico City | 25 | 77 | 6 | 43 | cl |
| Rio de Janeiro | 25 | 77 | 22 | 72 | cl |

| NORTH AMERICA | | | | | |
|---|---|---|---|---|---|
| Anchorage | 2 | 36 | -3 | 27 | cl |
| Atlanta | 12 | 54 | -2 | 28 | fr |
| Boston | 2 | 36 | -10 | 14 | fr |
| Chicago | 4 | 39 | -5 | 23 | pc |
| Denver | 12 | 54 | -6 | 21 | fr |
| Detroit | 1 | 34 | -11 | 12 | fr |
| Honolulu | 30 | 86 | 20 | 68 | fr |
| Houston | 15 | 59 | 7 | 45 | r |
| Los Angeles | 20 | 68 | 11 | 52 | cl |
| Miami | 26 | 79 | 20 | 68 | pc |
| Minneapolis | 1 | 34 | -9 | 16 | pc |
| Montreal | 1 | 34 | -19 | -2 | pc |
| Nassau | 30 | 86 | 22 | 72 | pc |
| New York | 3 | 37 | -6 | 21 | fr |
| San Francisco | 12 | 54 | 7 | 45 | pc |
| Seattle | 9 | 48 | 4 | 39 | sh |
| Toronto | 0 | 32 | -16 | 3 | fr |
| Washington | 5 | 41 | 0 | 32 | fr |

MONDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Rainy. Temp. 5 — 2 (41 — 36). LONDON: Rainy. Temp. 5 — 1 (41 — 34). MADRID: Cloudy. Temp. 12 — 3 (54 — 37). NEW YORK: Fair. Temp. 8 — 1 (46 — 34). PARIS: Rainy. Temp. 5 — 2 (41 — 36). ROME: Rainy. Temp. 14 — 9 (57 — 48). TEL AVIV: NA. ZURICH: Cloudy. Temp. 6 — 2 (43 — 36). BANGKOK: Foggy. Temp. 31 — 22 (88 — 72). HONG KONG: Foggy. Temp. 23 — 18 (73 — 64). MANILA: Rainy. Temp. 29 — 23 (84 — 73). SEOUL: Cloudy. Temp. 11 — 8 (52 — 46). SINGAPORE: Fair. Temp. 30 — 23 (86 — 73). TOKYO: Rainy. Temp. 12 — 10 (54 — 50).

# SPORTS

Kai Hermitsu/Reuters

**THE DIFFERENCE — River Plate striker Antonio Alzamendi, above, scored a 28th-minute goal that defeated Steaua Bucharest, 1-0, in Sunday's World Club Cup soccer match in Tokyo. Alzamendi trapped a long free kick from midfielder Norberto Alonso, fired a low shot that ricocheted off the right goalpost — and then headed his own rebound past goalie Dumitru Stingaciu.**

# *Browns Stun Bengals to Win AFC Title*

*Compiled by Our Staff From Dispatches*

CINCINNATI — Bernie Kosar shocked Cincinnati with two long touchdown passes in the first quarter Sunday and the Cleveland defense shut down the National Football League's most productive offense as the Browns won their second straight American Conference Central Division title by beating the Bengals, 34-3.

The victory, which atoned for a 30-13 loss in Cleveland earlier this year, put the Browns at 11-4, two games ahead of the Bengals and tied for the best record in the AFC.

Kosar went deep on the first play from scrimmage, hitting Reggie Langhorne for 66 yards to the Cincinnati two. Two plays later, Kevin Mack scored. Then, on second and one with 1:13 left in the first period, Kosar threw a 47-yard touchdown pass to Webster Slaughter to give the Browns a 14-3 lead.

The Bengals, who had gained 584 yards last week against New England, and were averaging 29 points for their last nine games, reached the Cleveland four on their first possession but never got past their opponents' 28 until the game was out of reach. Boomer Esiason was 15-of-31 passing for 151 yards; Kosar was 13-of-29 for 246 yards.

**49ers 29, Patriots 24:** In Foxboro, Massachusetts, San Francisco aided its playoff chances by rallying in the fourth period on two of Ray Wersching's three field goals.

The 49ers, trailing by 17-16 entering that period, went ahead to stay at 19-17 on Wersching's 31-yard field goal with 13:34 left, then scored their last 10 points after a fumble recovery and an interception. San Francisco is the NFL leader in forcing turnovers; the Patriots began the game having committed the fewest in the NFL.

## NFL REPORT

**Giants 27, Cardinals 7:** In East Rutherford, New Jersey, Joe Morris ran for 179 yards, scored three touchdowns and broke his club record for rushing in a single-season as NFC East champion New York defeated St. Louis to move within a victory of getting the home field advantage for the playoffs.

This triumph was the eighth straight for the Giants, who got their first division title in 23 years Saturday when the Denver Broncos beat the Washington Redskins.

Morris, although fumbling three times in the game, has rushed for 1,401 yards this season.

The defense sacked Cardinal quarterback Neil Lomax seven times in the first half for 60 yards in losses. On seven possessions, the Cardinals gained on just two plays, and one series ended with Lomax being sacked three straight times.

**Eagles 23, Cowboys 21:** In Irving, Texas, quarterback Matt Cavanaugh, starting for the second time this season, threw two touchdown passes to Kenny Jackson, the game-winner coming with 3:57 to play, as Philadelphia knocked Dallas out of playoff contention.

The Eagles, in winning their first NFC East game this season, dropped the Cowboys to 7-8 and ended their streak of 20 consecutive winning seasons, the longest such active streak in professional sports.

Cowboy running back Herschel Walker ran 84 yards for a touchdown, caught a scoring pass for 84 yards and compiled a club-record 292 yards, 122 on six carries and 170 on nine catches.

**Colts 24, Bills 14:** In Indianapolis, Gary Hogeboom ran for a touchdown and passed for 318 yards and two touchdowns during a second-half rally that beat Buffalo.

The Colts, winning their second straight after losing their first 13 this season, had trailed by 14-0.

**Saints 14, Falcons 9:** In Atlanta, quarterback Dave Wilson scored on a six-yard bootleg run with 1:55 left as New Orleans ended a three-game losing streak.

The Falcons then began a drive that ended when the Saints' Rickey Jackson got his fourth sack of the game, dumping Turk Schonert for a six-yard loss after Schonert had completed six of seven passes for 75 yards to reach the New Orleans five with five seconds left.

**Packers 21, Buccaneers 7:** In Tampa, Florida, Randy Wright, Gerry Ellis and Paul Ott Carruth ran for touchdowns and the Green Bay defense sacked Tampa Bay quarterback Steve Young seven times.

The Bucs, who were booed heavily and pelted with lemons by the crowd, have lost 11 of their last 12 games and are 4-27 since Leeman Bennett replaced John McKay as coach after the 1983 season.

**Broncos 31, Redskins 30:** In Denver, a missed extra-point attempt by Max Zendejas in the first quarter Saturday helped beat Washington when the Broncos rallied from a 13-point deficit.

John Elway scored on an 11-yard quarterback draw for the Broncos and threw a 19-yard touchdown pass to Steve Watson. Sammy Winder ran for two touchdowns, the latter a one-yard plunge that gave the Broncos a 28-16 lead.

Two plays later, Jay Schroeder threw a 55-yard pass to Art Monk to make it 28-23. But with 4:24 to go, Mike Harden intercepted Schroeder and ran 31 yards to the Redskin 14; four plays later, Rich Karlis's 32-yard field goal made it 31-23.

Schroeder then threw 28 yards to Monk and two plays later passed 29 yards to tight end Clint Didier at the Bronco 1. But George Rogers was stopped on two straight running plays, forcing the Redskins to use two timeouts before Rogers scored on the third try. That put the Redskins within a point with 1:28 left, but the Broncos ran out the clock.

**Steelers 45, Jets 24:** In East Rutherford, New Jersey, Walter Abercrombie scored three touchdowns Saturday and Mark Malone passed for two and dove a yard for the go-ahead touchdown as Pittsburgh hand New York its fourth straight loss.

The Jets also lost all-pro nose tackle Joe Klecko and offensive tackle Reggie McElroy to knee injuries that will need surgery. Both had just resumed playing after injuries to the same knees.

With the score tied at 17, Malone directed the Steelers 58 yards in 10 plays early in the fourth quarter. John Stallworth caught passes of 20 and 16 yards, the latter coming on a third-and-five at the Jet 22. On third-and-goal, Malone leaned over center to give Pittsburgh a 24-17 lead with 11:11 to play.

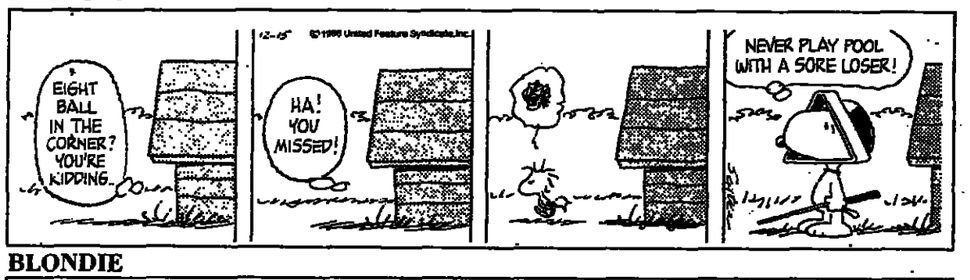
Four minutes later, while facing a blitz, Malone spotted Stallworth for a 40-yard pass that made it 31-17. Lupe Sanchez then intercepted a pass by Ken O'Brien and ran 67 yards to make the score 38-17.

O'Brien was 20-of-30 for 197 yards with three interceptions; he has nine in the last four games and, in all, New York has lost the ball 15 times in that span. *(AP, UPI)*

### ■ California Bowl

Quarterback Mike Perez threw three touchdown passes Saturday as San Jose State routed Miami (Ohio), 37-7, in the California Bowl, The Associated Press reported from Fresno, California.

## PEANUTS




## BLONDIE

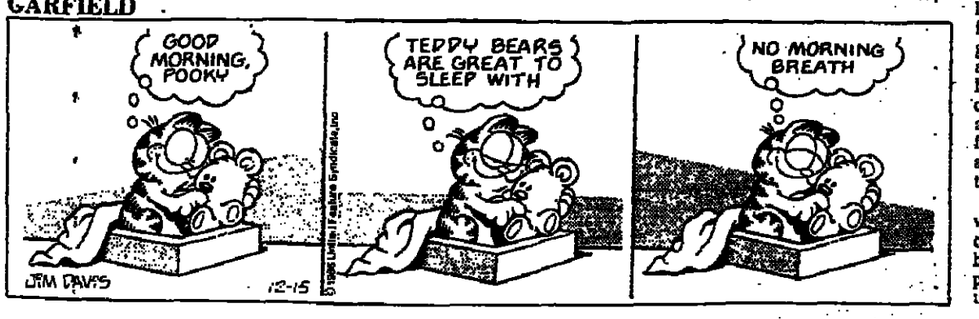
## BEETLE BAILEY

## ANDY CAPP

## WIZARD of ID

## REX MORGAN

## GARFIELD




# BOOKS

## THE MORNING AFTER: American Successes and Excesses, 1981-1986

*By George F. Will. 430 pages. $19.95. The Free Press, 866 Third Avenue, New York, N. Y. 10022.*

Reviewed by Ronald Steel

OLD newspaper columns are, to use a Willism, like raisins in the sun: They tend to wither off the vine. It is conceit for a journalist to imagine that his hasty judgments on long-past events merit preservation, and the effort to do so usually indicates the triumph of self-gratification over prudence.

But this volume of selected columns is a testament to Will's perseverance and self-assurance. Considering the tedium of stale news and the specious certainty of instant wisdom, it is surprising how readable so many of these columns are. The reason lies not in Will's judgments but in the manner in which he expresses his opinions. What this collection makes clear is that Will is not so much a thinker as a stylist.

There are essentially two ways of being a columnist. One can seek to elucidate the issues or to make a drama of them. The former is the work of analysts, the latter of storytellers. Will falls into the latter category. He is far too predictable and ill-tempered to be effective as an analyst. The ability to stand back from events and see them in a wider perspective and to understand the conflicting motivations of contending parties are not qualities he has mastered or even seems to value.

Rather, what he does is to argue attitudes. He finds a great many things offensive, like hotel lobbies and arms control, modern art and the psychiatric defense in criminal trials. He is offended by what he considers to be "liberals," whom he accuses of a variety of crimes, ranging from acceptance of free plane tickets to academic conferences (a curious complaint from a man who makes more than $1 million a year addressing conventions) to an undue concern for trees and wildlife. Environmentalists, he informs us, begat James Watt (which is like arguing that the Jews were responsible for Hitler), and "their liking of chipmunks expresses primarily a dislike of human beings."

That is amusing stuff, and Will is clever enough to know what he is doing. He is rather like a picador in a bull ring, jabbing to draw drops of blood, then scampering away to safety, saved by the 800-word limit of his column from making a coherent argument. He is a master of the fast quip, which is not surprising because he is to a large degree a creation of television, where his contribution is that of the 10-second take. In the realm of television, where banality struggles incessantly with inanity, Will's stern demeanor and pointed barbs seem to emanate from a higher order of intelligence.

There is also in these columns, if not on television, the good-guy image: the man who may be a bit of a nerd, but who loves baseball, his family, and even amusing bits of American pop culture. Although Will devotes a good many columns to baseball, it is unlikely that true addicts turn to him to get their juices going every morning. Rather, his comments are designed for those who congratulate themselves on their love of the game, just as they imagine that by drinking Schlitz they are establishing contact with the common man. George Will is a sports lover for yuppies just as he is a conservative for yuppies.

In this collection, Will has gone to great effort to make the reader aware of his "human" side. He treats us effusively, some might say excessively, to the everyday tribulations of his family. "A Will boy, 11, who was up at 3 A.M. fine-tuning his tackle, is bright-eyed and eager to buy his breakfast: a microwaved burrito and a 3 Musketeers candy bar." Or its pleasures: "Victoria Will (21 months) croons ecstatically at the sight of a squirrel." Now this is harmless enough, but it is so transparently calculated to disarm us, and to get us cooing and purring ourselves, that it is insulting. Indeed, it is far more insulting than Will's incessant references to Great Thinkers, gratuitous use of foreign phrases, irrelevant analogies and quotation-mongering.

Perhaps the most striking thing about this collection is not the stylistic devices, the cultural snobbism, the name-dropping, the intolerance for the views of others or the constant lecturing about the proper moral position (although anyone who complains that "media Americans earn their living by striking moral poses" is not totally devoid of a sense of humor). Rather, it is what he does not choose to write about. There is hardly a column devoted to such issues as poverty, racial inequality, religious fundamentalism, the health crisis, unemployment, farm bankruptcies or censorship.

*Ronald Steel, author of "Walter Lippmann and the American Century" and professor of international relations and journalism at the University of Southern California, wrote this review for the Los Angeles Times.*

Solution to Friday's Puzzle

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | D | I | D | I | T | | T | H | A | W | S | |
| | | S | E | N | A | T | E | | R | A | D | I | O | S |
| M | A | N | F | R | O | M | L | A | M | A | N | C | H | A |
| A | F | O | R | E | | P | E | L | E | | S | K | I | P |
| D | A | T | A | | R | E | G | A | L | | | E | R | A |
| A | R | E | | P | A | R | I | S | | S | A | Y | E | R |
| M | I | S | E | R | I | E | S | | W | I | S | E | S | T |
| | | | L | A | N | D | L | O | R | D | S | | | |
| C | A | V | I | T | Y | | A | R | I | E | T | T | A | S |
| A | R | O | S | E | | S | T | A | T | S | | R | A | T |
| R | A | Y | | | H | A | U | T | E | | M | I | C | A |
| O | M | A | R | | E | U | R | O | | D | A | S | H | Y |
| M | I | G | U | E | L | C | E | R | V | A | N | T | E | S |
| | S | E | T | T | L | E | | I | O | N | I | A | N | |
| | | S | H | O | O | S | | O | R | G | A | N | | |

12/13/86

# BRIDGE

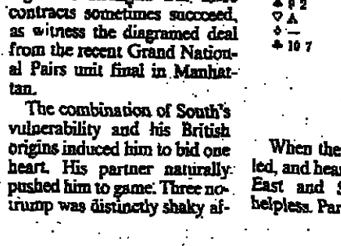
By Alan Truscott

AN old argument, never likely to be resolved, concerns the precise standards that are appropriate for a minimum opening bid of one.

At one extreme are the Roth-Stone disciples, who often pass a 13-point hand if it is balanced and unpromising. At the other are light opening bidders, in the British tradition, who seldom pass with 12 points and often bid with 11. Most tournament players are somewhere in the middle. The light opening bidders often find themselves in optimistic games, driven by partners who are expecting a little more high-card strength. But these contracts sometimes succeed, as witness the diagramed deal from the recent Grand National Pairs unit final in Manhattan.

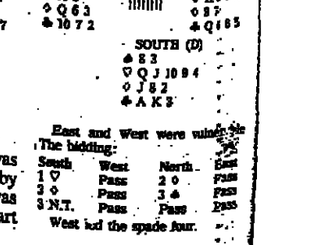
The combination of South's vulnerability and his British origins induced him to bid one heart. His partner naturally pushed him to game. Three no-trump was distinctly shaky after the obvious spade lead, and South regretted his enterprise.

The spade jack was played, in the faint hope that West held both the king and queen. East won, and when the suit was continued, the ace was held up until the third round. South threw a heart from his hand and crossed to the club ace to take the diamond finesse. When this succeeded he was able to score three more diamond tricks and reach this remarkable end-game position:




When the last diamond was led, and hearts were thrown by East and South, West was helpless. Parting with the heart ace would have been hopeless, and a discard of a club would have permitted South to lead the jack and pin the ten. He reluctantly gave up one of his spade winners, and was thrown in with a heart lead. This forced a club lead at the finish, and it did not matter whether or not the last spade was cashed to squeeze East.

Making three no-trump gave North-South nearly all the available match points.




East and West were vulnerable. The bidding:

| South | West | North | East |
|---|---|---|---|
| 1 ♡ | Pass | 2 ♢ | Pass |
| 3 ♢ | Pass | 3 ♠ | Pass |
| 3 N.T. | Pass | Pass | Pass |

West led the spade four.

صورة من الأصل



# SPORTS

## America II Eliminated

By Ruth Youngblood
*United Press International*

FREMANTLE, Australia — America II lost to first-place New Zealand by 15 seconds here Sunday and was eliminated from contention in the 26th

### AMERICA'S CUP

America's Cup challenge. For the first time in 135 years, a New York Yacht Club entry will not compete in the final.

The Kiwis rallied on the third windward leg to win; their triumph, coupled with USA's victory over French Kiss, ended the NYYC's three-year, $15-million quest to regain the cup.

Despite a flurry of tacks down the stretch, skipper John Kolius could not break New Zealand's cover.

Since the schooner America won the trophy from the British in 1851, a NYYC entry had contested every cup final. Said Jack Wilkie, a syndicate spokesman: "We don't need this kind of history."

USA defeated French Kiss to move into third place among the challengers with 139 points. Stars & Stripes held second for 142 points with a victory over Azzurra. French Kiss clung to fourth, assuring the Frenchmen the last berth in the semifinals, which begin Dec. 28.

Although America II gets an automatic 12-point bye Monday, its 128 points are still one shy of French Kiss's total.

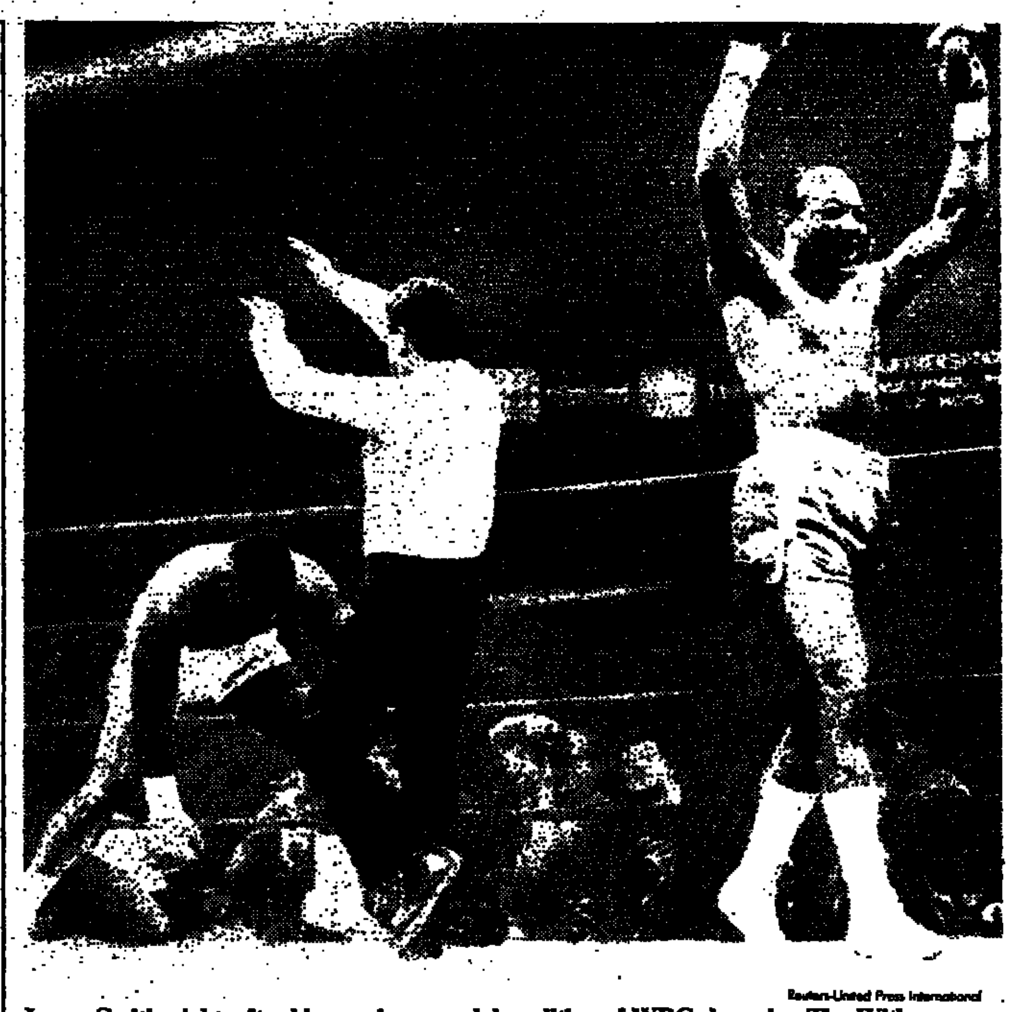
While three boatloads of supporters watched the demise of their dream in 12-16 knot breezes, Kolius struggled unavailingly to squeeze extra knots from the sleek white boat.

The NYYC had spared no expense in trying to regain the trophy it lost to Australia in 1983. It was the first group to build a new 12-meter and the first to begin practicing off Fremantle.

But America II lost 5 of 10 races in the third round, and its failure was blamed on changes made to the boat (including a new keel) following the end of the November eliminations.

America II pulled into a 22-second lead at the first windward mark, and Kolius expanded the edge to 61 seconds on the first leeward leg before Chris Dickson won back 43 seconds on the second beat.

Dickson seized an opportunity by crossing in front on the third beat, initiating Kolius's desperate battle to regain the lead. Kolius regained six seconds on the bottom mark, but Dickson remained in command, not lifting his cover.



Reuters-United Press International

James Smith, right, after his opening-round demolition of WBC champion Tim Witherspoon.

## Smith Stops Witherspoon in 1st

By Dave Raffo
*United Press International*

NEW YORK — James (Bonecrusher) Smith began seeking another target as soon as he had stopped Tim Witherspoon to win the World Boxing Association heavyweight title.

"Where's Mike Tyson?" Smith asked repeatedly after Friday night's fight. "I thought I saw him out there."

Smith, training for another fight when he was signed a week ago as a replacement for Tony Tubbs, capitalized on his break by dropping Witherspoon three times and stopping him at 2:12 of the first round in Madison Square Garden.

"I felt like I should have been in the tournament right after I knocked out Mike Weaver," said Smith, who next fights Tyson on March 7 in the series to unify the heavyweight title. "I've been trying to get in but, when I wasn't even thinking about it, I got the call. . . ."

Smith would have earned $20,000 plus a percentage of the gate for the other bout. Instead, he got $230,000 to bounce Witherspoon around the ring and will get $1 million to fight Tyson.

Tyson, the World Boxing Council heavyweight champion who is 28-0 with 26 knockouts, was in the crowd of 5,024 and said, "It was a wonderful punching performance."

Smith, 31, improved to 19-5 with 14 knockouts. Witherspoon, who had a lopsided, 12-round victory over Smith 18 months ago, fell to 25-3. His share of the purse was $400,000.

Smith, who hurt Witherspoon with the first punch of the fight — a right to the head — put the champion down four times, but referee Luis Rivera missed the first knockdown, when Witherspoon dropped to a knee. The first official knockdown was on a left-right at 1:14.

Witherspoon was up immediately but went down from a right to the head 23 seconds later. Again, he got right up, but an overhand right felled him with 48 seconds left in the round. Rivera stopped the bout because of the three-knockdown rule.

Witherspoon almost didn't fight because of a contract dispute. Last Sunday he hired a lawyer to try to break his contract with manager Carl King, son of the fight's promoter, Don King, and until late Thursday had considered withdrawing from the bout.

"I really wasn't into the fight," he said, adding that "Bonecrusher caught me with some good shots and you can't take that from him."

Smith, 228½ pounds (103.6 kilograms), was in better shape than the 233½-pound Witherspoon and succeeded on his second try at a heavyweight title. Larry Holmes stopped him in 12 rounds in an International Boxing Federation bout in 1984.

Witherspoon, 28, was making the second defense of the title he won from Tubbs in January.

### ■ Chang Retains WBC Title

Chang Jung-Ku of South Korea stopped challenger Hideyuki Ohashi of Japan in the fifth round of their scheduled 12-round fight Sunday in Inchon, South Korea, to retain his WBC light flyweight title, United Press International reported.

The fight was halted 1:55 into the round with the challenger helplessly under attack. Ohashi, although ranked ninth by the WBC, had had only six fights, winning five, since turning pro in February.

Chang is 32-1, winning 12 by knockout. It was his 11th defense of the title he took from Hilario Zapata of Panama in March 1983.

### ■ Chávez Defeats LaPorte

Julio César Chávez peppered Juan LaPorte's face during the middle rounds to retain his World Boxing Council super featherweight title with a 12-round unanimous decision in a preliminary to the Witherspoon-Smith fight, United Press International reported.

Chávez, 24, of Culiacán, Mexico, improved to 51-0 with his eighth successful title defense and fifth this year. LaPorte, 27, a former WBC featherweight champion from Guayama, Puerto Rico, fell to 27-7.

## SCOREBOARD

### Basketball

#### Selected U.S. College Results

FRIDAY
EAST
Bucknell 105, Lebanon Valley 62
Fairleigh Dickinson 87, Mercy, N.Y. 77
MIDWEST
Michigan Tech 67, Minn.-Duluth 64
S. Dakota St. 86, Black Hills St. 66
Wabash 88, Ohio Dominican 57
SOUTHWEST
So. Methodist 93, Prairie View 45
SW Oklahoma 90, Fort Hays St. 75
Stephen F. Austin 89, E. Texas Baptist 61
FAR WEST
Air Force 64, E. Washington 42
Hawaii Loa 85, Kansas Newman 81
Sonoma St. 92, Sacramento St. 80
SATURDAY
EAST
American U. 74, George Washington 71
Buffalo St. 65, Buffalo 64
Colby 91, Salem St. 73
Duke 74, Alabama 67
Georgetown 82, Arizona 74
Harvard 96, Manhattan 90
La Salle 79, Maine 66
Nazareth 88, Alfred 85
New Hampshire Col. 103, St. Michael's 96
NYU 86, Worcester Tech 62
Niagara 87, Utica 73
Northeastern 78, Massachusetts 70
Penn St. 94, Vermont 74
Pittsburgh 78, West Virginia 57
Rhode Island 88, New Hampshire 74
St. John's 78, UCLA 63
Seton Hall 109, Rutgers 81
Syracuse 99, Canisius 67
Temple 68, St. Bonaventure 66
Vanderbilt 71, Penn 70
Villanova 66, Connecticut 51
SOUTH
Auburn 107, SW Louisiana 91
Citadel 103, Benedict 80
DePaul 75, Louisville 68
Florida 68, South Florida 62
Furman 79, W. Carolina 65
Kentucky 71, Lamar 56
Mississippi 88, SE Louisiana 59
Mississippi St. 68, Delta St. 54
North Carolina 98, Jacksonville 69
N.C. Charlotte 77, Davidson 70
N. Carolina St. 82, Duquesne 59
Va. Commonwealth 73, George Mason 68
Virginia Tech 67, Tennessee St. 65
MIDWEST
Bowling Green 75, Ohio U. 63
Bradley 86, N. Illinois 63
Chicago 68, Illinois Tech 61
Creighton 74, Xavier (Ohio) 73
Dayton 61, St. Peter's 60
Denison 92, Hiram 75
DePauw 88, Millikin 57
Illinois St. 80, St. Louis 69
Iowa 69, Drake 62
Kansas 59, Colorado 56
Marietta 68, Baldwin-Wallace 65
Marquette 63, Tennessee 56
Michigan St. 86, Iowa St. 85
Minnesota 69, Chapman 67
Ohio St. 82, Howard 63
Purdue 89, Detroit 65
Toledo 93, Florida Intl. 72
W. Michigan 86, E. Michigan 73
Wichita St. 63, Kansas St. 60
SOUTHWEST
Arkansas 106, Morgan St. 57
Houston 83, New Orleans 75
N. Texas St. 85, Colorado St. 69
Oklahoma 109, Florida St. 92
Texas 68, Oral Roberts 65
Texas-El Paso 61, New Mexico St. 53
Texas Tech 95, Seattle 67
Tulsa 79, Oklahoma St. 70
FAR WEST
Boise St. 85, S. Utah St. 59
BYU-Hawaii 110, Southwestern (Kan.) 72
Colorado Col. 100, Adams St. 91
Idaho 71, Puget Sound 66
Loyola (Calif.) 98, Long Beach St. 87
Montana St. 90, E. Montana 80
Nev.-Las Vegas 99, Nev.-Reno 88
N. Arizona 95, U.S. International 88
NW Missouri St. 84, Hawaii Loa 81, 2OT
Oregon 85, Seattle Pacific 68
Oregon St. 70, Gonzaga 57
San Diego 77, Cal-Santa Barbara 71
San Diego St. 64, Los Angeles St. 60
San Francisco 106, N. Montana 73
Southern Cal 71, W. Washington 57
Stanford 57, St. Mary's (Calif.) 43
Utah 78, Pacific 51
Utah St. 84, Weber St. 75
Washington St. 82, Pepperdine 77

TOURNAMENTS
Cardinal Classic
First Round
Ball St. 62, Valparaiso 61
Butler 82, Miss. Valley St. 65
Championship: Ball St. 82, Butler 70
Third Place: Valparaiso 70, Miss. Val. St. 68
Champion Holiday Classic
First Round
Houston Baptist 67, Rider 64
Montana 73, Kent St. 63
Championship: Montana 91, Hou. Baptist 83
Third Place: Kent St. 79, Rider 62
Cotton States Classic
First Round
Georgia 81, Loyola, Ill. 69
Memphis St. 79, Georgia St. 70
Cougar Classic
First Round
Brigham Young 91, Arizona St. 85
Fullerton St. 56, Texas Christian 48
Championship: Fullerton St. 59, BYU 56
Third Place: TCU 96, Arizona St. 78
Early Season Tournament
First Round
Indiana St. 55, Fresno St. 44
Hawaii 62, Santa Clara 61
Championship: Hawaii 63, Indiana St. 61
Third Place: S. Clara 63, Fresno St. 56, OT
Grand Canyon Classic
First Round
Grand Canyon 76, Mesa 60
Texas Wesleyan 101, S. Colorado 91
Championship: Grand Canyon 61, S. Colo. 57
Third Place: Texas Wesleyan 74, Mesa 60
Hobart-William Smith Classic
First Round
Hobart 96, N.Y. Poly 50
Upsala 87, Case Western 84
Illini Classic
First Round
Illinois 92, Baylor 68
Princeton 71, Ill.-Chicago 60
Championship: Illinois 81, Princeton 55
Third Place: Baylor 80, Ill.-Chicago 63
Indiana Classic
First Round
Indiana 73, N.C.-Wilmington 72
E. Carolina 89, S. Illinois 71
Championship: Indiana 96, East Carolina 68
Third Place: S. Illinois 86, N.C.-Wilm. 85
Manufacturer's Hanover Classic
First Round
Iona 77, Grambling 65
Morehead St. 97, Wagner 96
Championship: Iona 69, Morehead St. 66
Third Place: Wagner 86, Grambling 79
Runnin' Joe Classic
First Round
Texas-Arlington 68, Nicholls St. 66
Arkansas St. 85, Texas-San Antonio 58
Championship: Ark. St. 85, Texas-Arl. 58
Third Place: Texas-S.A. 78, Nicholls St. 66
TCBY Tip-Off Tournament
First Round
Ala.-Birmingham 86, Monmouth, N.J. 73
Ark.-Little Rock 75, Baptist, S.C. 68
Championship: Ark.-L.R. 74, Ala. Birm. 73
Third Place: Baptist, S.C. 79, Monmouth 56

#### National Basketball Association Standings

EASTERN CONFERENCE

| Atlantic Division | W | L | Pct. | GB |
|---|---|---|---|---|
| Boston | 14 | 7 | .667 | — |
| Philadelphia | 13 | 8 | .619 | 1 |
| Washington | 10 | 11 | .476 | 4 |
| New York | 5 | 18 | .217 | 10 |
| New Jersey | 4 | 18 | .182 | 10½ |
| **Central Division** | | | | |
| Atlanta | 18 | 4 | .818 | — |
| Milwaukee | 15 | 8 | .652 | 3½ |
| Detroit | 10 | 8 | .556 | 6 |
| Indiana | 11 | 11 | .500 | 7 |
| Chicago | 10 | 11 | .476 | 7½ |
| Cleveland | 9 | 11 | .450 | 8 |

WESTERN CONFERENCE

| Midwest Division | W | L | Pct. | GB |
|---|---|---|---|---|
| Dallas | 14 | 7 | .667 | — |
| Utah | 13 | 7 | .650 | ½ |
| Houston | 9 | 11 | .450 | 4 |
| Denver | 10 | 13 | .435 | 5 |
| San Antonio | 6 | 15 | .286 | 7½ |
| Sacramento | 6 | 16 | .273 | 8 |
| **Pacific Division** | | | | |
| L.A. Lakers | 16 | 5 | .762 | — |
| Golden State | 13 | 9 | .591 | 3½ |
| Portland | 13 | 10 | .565 | 4 |
| Seattle | 11 | 9 | .550 | 4½ |
| Phoenix | 11 | 11 | .500 | 5½ |
| L.A. Clippers | 4 | 17 | .190 | 12 |

FRIDAY'S RESULTS

L.A. Lakers 35 24 29 29—117
Boston 37 26 29 18—110
E. Johnson 13-25 5-7 31, Abdul-Jabbar 11-16 4-4 26; Bird 11-13 3-3 26, McHale 10-17 2-2 22. Rebounds: L.A. Lakers 48 (Green 11); Boston 43 (McHale 11). Assists: L.A. Lakers 22 (E. Johnson 8); Boston 29 (D. Johnson 14).

Chicago 26 21 27 32—106
Milwaukee 21 26 21 25— 92
Jordan 16-34 9-11 41, Oakley 7-12 4-4 18; Hodges 9-12 2-2 23, Cummings 9-18 2-2 14. Rebounds: Chicago 55 (Oakley 16); Milwaukee 41 (Sikma 9). Assists: Chicago 24 (Paxson 8); Milwaukee 22 (Pressey 8).

Phoenix 27 30 28 31—116
Denver 26 33 33 36—128
English 14-25 3-5 31, Schayes 6-7 9-11 21; Sanders 8-15 7-8 23, Humphries 8-10 5-6 21. Rebounds: Phoenix 50 (Pinckney 12); Denver 55 (Schayes 8). Assists: Phoenix 21 (Davis, Humphries 5); Denver 29 (English 9).

Washington 35 21 25 35—116
Detroit 28 30 28 29—115
J. Malone 13-18 4-6 30, M. Malone 9-19 9-11 27; Dumars 10-17 2-2 22, Dantley 6-9 4-5 16, Rodman 5-11 0-0 16. Rebounds: Washington 36 (M. Malone 17); Detroit 45 (Laimbeer 15). Assists: Washington 21 (J. Malone 6); Detroit 23 (Thomas 6).

Philadelphia 28 13 25 24— 98
New Jersey 23 31 33 36—123
Brown 10-14 2-2 22, Bailey 6-14 6-8 18, Williams 6-10 6-7 18; Barkley 5-10 5-8 15, Threatt 5-11 4-4 14. Rebounds: Philadelphia 52 (Barkley 10); New Jersey 61 (Williams 16). Assists: Philadelphia 13 (Cheeks 7); New Jersey 31 (Wood 9).

Sacramento 32 26 29 33—120
Atlanta 34 29 36 31—130
Wilkins 9-20 9-12 28, Rivers 6-11 15-15 27; Johnson 10-18 6-10 26, Theus 12-24 3-3 27. Rebounds: Sacramento 45 (Thompson 14); Atlanta 56 (Willis 13). Assists: Sacramento 25 (Smith, Theus 6); Atlanta 26 (Rivers 9).

Portland 34 31 20 28—113
L.A. Clippers 22 27 36 27—112
Vandeweghe 15-21 7-7 38, Drexler 8-13 1-4 17; Woodson 9-22 6-6 24, Cage 8-13 5-7 21. Rebounds: Portland 35 (Jones 6); Los Angeles 56 (Cage 17). Assists: Portland 38 (Porter 12); Los Angeles 29 (Drew 7).

SATURDAY'S RESULTS

Dallas 32 32 34 28—126
Seattle 28 31 22 26—109
Blackman 11-15 10-11 32, Aguirre 7-18 8-9 22; Chambers 7-20 10-10 24, Ellis 8-16 8-10 24, McDaniel 8-18 3-5 19. Rebounds: Dallas 58 (Perkins, Donaldson 13); Seattle 54 (McDaniel 14). Assists: Dallas 19 (Harper 7); Seattle 22 (McMillan 11).

Denver 21 27 29 33—110
Phoenix 32 34 29 28—123
Davis 10-19 4-4 24, Nance 6-12 5-5 17; Lever 8-15 3-4 19, Alarie 7-12 2-3 16. Rebounds: Denver 57 (Rasmussen 12); Phoenix 46 (Pinckney 10). Assists: Denver 29 (Lever 7); Phoenix 31 (Hornacek 8).

Milwaukee 25 27 30 31—113
Chicago 17 12 34 27— 90
Pressey 8-14 4-5 20, Cummings 7-11 4-6 18; Paxson 6-9 3-4 16, Sellers 4-10 7-9 15. Rebounds: Milwaukee 54 (Mokeski 8); Chicago 62 (Brown 9). Assists: Milwaukee 28 (Pressey 6); Chicago 14 (Myers 4).

Golden State 17 32 33 35—117
San Antonio 30 22 28 30—102
Carroll 13-23 6-7 32, Mullin 9-16 12-12 32, Floyd 6-19 12-12 24; Thompson 7-14 7-8 21, Gilmore 8-9 3-7 19. Rebounds: Golden State 56 (L. Smith 10); San Antonio 56 (Thompson 12). Assists: Golden State 24 (Floyd 8); San Antonio 22 (Dawkins 6).

Sacramento 25 19 34 28—106
Houston 33 30 32 24—119
Olajuwon 11-14 6-7 28, Sampson 8-16 4-7 20; Theus 9-16 7-7 26, Smith 8-18 6-6 22. Rebounds: Sacramento 42 (Thompson 8); Houston 61 (Sampson 14). Assists: Sacramento 27 (Theus 7); Houston 35 (Lloyd, Minniefield 9).

Philadelphia 35 24 18 43—120
Cleveland 26 37 27 25—122
Harper 12-24 8-9 34, Price 11-14 3-2 27; Barkley 18-30 3-6 41, Cheeks 11-23 2-2 25. Rebounds: Philadelphia 53 (Barkley 12); Cleveland 56 (Williams 9). Assists: Philadelphia 23 (Cheeks 7); Cleveland 26 (Bagley, Harper, Price 5).

Boston 29 30 28 23—105
Washington 24 35 23 16— 98
McHale 16-25 2-4 34, Bird 10-19 2-3 23; M. Malone 4-18 16-17 24, Cook 11-19 2-2 24, Williams 7-9 3-3 17. Rebounds: Boston 58 (McHale 13); Washington 48 (M. Malone 10). Assists: Boston 31 (Ainge 10); Washington 16 (Whatley 5).

New Jersey 15 25 24 27— 91
Indiana 21 31 22 21— 95
Long 8-17 4-4 20, Fleming 8-13 1-2 17; Bailey 6-10 6-8 18, Gminski 5-11 4-4 14. Rebounds: New Jersey 43 (Gminski, Bailey 8); Indiana 46 (Stipanovich 9). Assists: New Jersey 23 (Wood 7); Indiana 28 (Fleming 6).

L.A. Clippers 28 28 20 24—100
Utah 31 29 23 32—115
Griffith 7-15 7-7 21, Bailey 6-14 5-6 17; Woodson 11-21 3-4 25, Cage 7-17 6-7 20. Rebounds: L.A. Clippers 40 (Cage 18); Utah 48 (Malone 13). Assists: L.A. Clippers 27 (Valentine 12); Utah 23 (Green 5).

L.A. Lakers 30 25 28 31—114
Detroit 35 25 27 22—119
Johnson 12-16 1-3 25, Thomas 9-22 4-7 23; Johnson 13-30 8-8 34, Worthy 8-13 6-6 22. Rebounds: L.A. Lakers 46 (Abdul-Jabbar 11); Detroit 52 (Green 10). Assists: L.A. Lakers 23 (Johnson 9); Detroit 33 (Thomas 14).

Atlanta 36 27 33 26—122
New York 28 17 30 35—110
D. Wilkins 11-21 2-6 24, Willis 9-13 3-3 21; Ewing 16-20 11-13 43, G. Wilkins 11-25 7-8 30. Rebounds: Atlanta 50 (Willis 11); New York 29 (Cummings 10). Assists: Atlanta 29 (Rivers 13); New York 24 (G. Wilkins 12).

### Soccer

WORLD CLUB CUP
(At Tokyo)
River Plate 1, Steaua Bucharest 0

ENGLISH FIRST DIVISION
Aston Villa 3, Manchester United 3
Luton 1, Everton 0
Manchester City 3, West Ham 1
Newcastle 3, Nottingham Forest 2
Norwich 1, Arsenal 1
Queens Park 0, Charlton 0
Tottenham 2, Watford 1
Wimbledon 3, Sheffield Wednesday 0
Liverpool 3, Chelsea 0
Leicester 2, Oxford 0
Points standings: Arsenal 38; Nottingham Forest 35; Liverpool 34; Everton, Luton 33; West Ham, Norwich 30; Sheffield Wednesday, Tottenham, Coventry 29; Wimbledon 28; Watford 25; Oxford 24; Southampton 23; Newcastle 21; Leicester, Queens Park 20; Manchester United, Charlton, Aston Villa 19; Manchester City 18; Leicester 17; Chelsea 16.

ITALIAN FIRST DIVISION
Ascoli 1, Roma 1
Avellino 3, Sampdoria 1
Brescia 3, Empoli 0
Firenze 0, Inter Milan 1
Torino 0, Juventus 1
Milan 0, Napoli 0
Udine 1, Atalanta 0
Verona 1, Como 0
Points standings: Napoli 18; Inter Milan, Juventus 16; Roma, Verona 15; Milan, Como 14; Sampdoria, Avellino 12; Torino 10; Fiorentina 9; Brescia, Empoli 8; Atalanta, Ascoli 7; Udinese 2.

SPANISH FIRST DIVISION
Athletic Bilbao 3, Las Palmas 0
Malorca 1, Real Sociedad 0
Real Madrid 1, Español 0
Valladolid 4, Murcia 0
Sevilla 3, Gijon 0
Sabadell 1, Zaragoza 0
Cadiz 1, Betis 1
Santander 1, Osasuna 1
Barcelona 1, Atletico Madrid 1
Points standings: Barcelona 25; Real Madrid 23; Athletic Bilbao, Atletico Madrid 21; Español 20; Malorca 19; Gijon, Betis 18; Valladolid 17; Sevilla, Real Sociedad 16; Zaragoza, Las Palmas, Cadiz 15; Murcia 14; Santander, Osasuna, Sabadell 11.

FRENCH FIRST DIVISION
Nice 1, Nantes 1
Laval 2, Monaco 0
Auxerre 3, Lens 1
Brest 2, Nancy 0
RC Paris 1, Bordeaux 2
Lille 4, Sochaux 0
Toulon 2, Rennes 0
Toulouse 0, Marseille 0
Saint Etienne 1, Le Havre 1
Metz 0, Paris SG 0
Point standings: Marseille, Bordeaux 29; Monaco 26; Toulouse, Auxerre, Nantes 24; Brest, Nice 23; Laval, Paris-SG 22; Metz 21; Lens 20; Lille, Sochaux, Le Havre 19; St. Etienne 18; Nancy, RC Paris 16; Rennes, Toulon, 13.

### Tennis

MASTERS DOUBLES TOURNAMENT
(At London)
Semifinals
Yannick Noah and Guy Forget, France, def. John Fitzgerald, Australia, and Tomas Smid, Czechoslovakia, 6-2, 6-4, 7-6 (7-5).
Stefan Edberg and Anders Jarryd, Sweden, def. Gary Donnelly and Mike DePalmer, U.S., 7-6, 3-6, 7-6, 6-4.
Final
Edberg and Jarryd def. Noah and Forget, 6-3, 7-6 (7-2), 6-3.

### Transition

HOCKEY
National Hockey League
ST. LOUIS—Announced sale of club to a consortium led by Michael F. Shanahan.
COLLEGE
McNEESE—Named Sonny Jackson football coach.
NCAA—Announced that four 1987 football scholarships were taken away from Iowa State University and the school was placed on probation for two years. Reinstated Rudy Bourgarel and Miro Pecarski of Marist, centers, effective immediately, and Rik Smits of Marist, center, effective Jan. 1, 1987.
VIRGINIA TECH—Named Dale T. Baughman athletic director.

### America's Cup

(At Fremantle, Australia)
CHALLENGER ELIMINATION
(Third-Series Round Robin; 12 Points)

| Yacht, Country | W | L | Pts |
|---|---|---|---|
| New Zealand, New Zealand | 32 | 1 | 186 |
| Stars & Stripes, U.S. | 26 | 7 | 142 |
| USA, U.S. | 23 | 10 | 139 |
| French Kiss, France | 20 | 13 | 129 |
| America II, U.S. | 25 | 8 | 116 |
| White Crusader, Britain | 21 | 12 | 115 |
| Italia, Italy | 16 | 17 | 87 |
| Canada II, Canada | 15 | 18 | 79 |
| Heart of America, U.S. | 10 | 23 | 61 |
| Eagle, U.S. | 9 | 24 | 36 |
| Azzurra, Italy | 3 | 30 | 11 |

Saturday's Results
New Zealand, Chris Dickson, def. Canada II, Terry Neilson, 2 minutes, 54 seconds.
Stars & Stripes, Dennis Conner, def. Italia, Albino Fravezzi, 3:37.
French Kiss, Marc Pajot, def. Eagle, Rod Davis, 2:49.
USA, Tom Blackaller, def. America II, John Kolius, 2:17.
Heart of America, Buddy Melges, def. Azzurra, Mauro Pelaschier, 2:23.

Sunday's Results
New Zealand def. America II 0:15
USA def. French Kiss 1:51
Stars & Stripes def. Azzurra 4:11
White Crusader def. Heart of America 3:49
Italia def. Eagle 0:36
Canada II (unopposed)

Monday's Races
USA vs. New Zealand
Italia vs. French Kiss
Azzurra vs. Eagle
Canada II vs. Heart of America
White Crusader vs. Stars & Stripes
America II (unopposed)

DEFENDER ELIMINATION
(Third-Series Round Robin; 3 Points)

| Yacht | W | L | Pts |
|---|---|---|---|
| Kookaburra III | 26 | 4 | 53 |
| Australia IV | 21 | 9 | 44 |
| Kookaburra II | 18 | 12 | 37 |
| Steak'n Kidney | 3 | 26 | 12 |

Saturday's Results
Steak'n Kidney, Fred Neill, def. Kookaburra II, Peter Gilmour, :04
Australia IV, Colin Beashel, def. Kookaburra III, Iain Murray, :14

Sunday's Results
Kookaburra II def. Australia IV, 5:10
Kookaburra III def. Steak'n Kidney, 2:54

### Hockey

#### NHL Standings

WALES CONFERENCE

| Patrick Division | W | L | T | Pts | GF | GA |
|---|---|---|---|---|---|---|
| Philadelphia | 21 | 7 | 2 | 44 | 128 | 75 |
| Pittsburgh | 15 | 11 | 4 | 34 | 117 | 103 |
| NY Islanders | 16 | 12 | 2 | 34 | 116 | 103 |
| New Jersey | 13 | 14 | 2 | 28 | 112 | 133 |
| Washington | 10 | 14 | 6 | 26 | 93 | 115 |
| NY Rangers | 9 | 13 | 6 | 24 | 111 | 122 |
| **Adams Division** | | | | | | |
| Boston | 15 | 11 | 4 | 34 | 104 | 93 |
| Montreal | 15 | 12 | 4 | 34 | 109 | 100 |
| Hartford | 14 | 8 | 4 | 32 | 89 | 82 |
| Quebec | 14 | 13 | 4 | 32 | 111 | 91 |
| Buffalo | 5 | 20 | 4 | 14 | 98 | 119 |

CAMPBELL CONFERENCE

| Norris Division | W | L | T | Pts | GF | GA |
|---|---|---|---|---|---|---|
| St. Louis | 12 | 12 | 5 | 29 | 96 | 106 |
| Toronto | 12 | 13 | 4 | 28 | 98 | 103 |
| Minnesota | 12 | 13 | 3 | 27 | 117 | 112 |
| Detroit | 10 | 13 | 5 | 25 | 85 | 93 |
| Chicago | 8 | 16 | 6 | 22 | 99 | 129 |
| **Smythe Division** | | | | | | |
| Edmonton | 19 | 11 | 1 | 39 | 140 | 110 |
| Calgary | 17 | 13 | 1 | 35 | 115 | 116 |
| Winnipeg | 15 | 12 | 2 | 32 | 104 | 100 |
| Los Angeles | 13 | 16 | 2 | 28 | 131 | 136 |
| Vancouver | 8 | 19 | 3 | 19 | 96 | 119 |

FRIDAY'S RESULTS

Toronto 2 1 0—3
Pittsburgh 3 4 1—8
Lemieux 4 (26), Ruskowski (8), Quinn 2 (8), Simpson (8); Courtnall 2 (11), Clark (16). Shots on goal: Toronto (on Romano) 7-5-11—23; Pittsburgh (on Wregget) 10-16-5—31.

Winnipeg 1 0 0—1
Edmonton 1 4 1—6
Napier (3), Messier (14), Anderson 2 (19), Kurri (15), Lowe (3); Hawerchuk (19). Shots on goal: Winnipeg (on Fuhr) 6-4-7—17; Edmonton (on Reddick) 6-11-15—32.

SATURDAY'S RESULTS

Chicago 1 1 2 0—4
St. Louis 1 3 0 0—4
D. Wilson (5), Brown (3), T. Murray (11), LaVarre (4); Federko 2 (8), D. Evans (1), Gilmour (14). Shots on goal: Chicago (on Wamsley) 13-16-11-4—44; St. Louis (on Bannerman) 18-12-3-1—34.

New Jersey 1 0 1—2
N.Y. Islanders 2 1 1—4
Flatley (9), Boyd (1), Bossen (2), Bossy (21); Broten (9), MacLean (13). Shots on goal: New Jersey (on Hrudey) 18-12-6—36. N.Y. Islanders (on Terreri) 13-10-7—30.

Buffalo 0 0 0—0
Quebec 4 1 2—7
Goulet (17), A. Stastny (9), Ashton 3 (16), Siltanen (4), Hough (3). Shots on goal: Buffalo (on Malarchuk) 7-7-14—28; Quebec (on Barrasso, Cloutier) 10-13-5—28.

Vancouver 1 0 1 0—2
Hartford 1 0 1 0—2
Quenneville (3), Evason (5); Pederson (10), Petit (5). Shots on goal: Van. (on Weeks) 10-8-5-2—25; Hart. (on Brodeur) 7-10-10-2—29.

Boston 0 2 2—4
Montreal 2 0 0—2
Crowder (7), Linseman (9), Middleton 2 (8); Momesso (6), Lemieux (7). Shots on goal: Boston (on Roy) 7-6-9—22; Montreal (on Romford) 11-6-7—24.

Pittsburgh 1 1 0 0—2
Toronto 1 1 0 1—3
Clark (17), Courtnall (12), Thomas (11); Quinn (9), Simpson (9). Shots on goal: Pittsburgh (on Bester) 8-8-6-2—24; Toronto (on Romano) 11-8-17-2—38.

Philadelphia 1 3 0—4
Minnesota 0 4 1—5
Hartsburg (6), MacLellan 2 (11), Plett (4), Ciccarelli (28); Poulin 2 (7), Kerr (21), Crossman (2). Shots on goal: Phil. (on Takko) 12-10-10—32; Minn. (on Hextall) 4-14-10—28.

Calgary 1 2 3—6
Los Angeles 1 1 1—3
DeGray (3), Wilson (9), Loob (12), Reinhart (8), Bullard (8), Otto (8); Carson (13), Kennedy (3), Robitaille (21). Shots on goal: Calgary (on Eliot) 11-9-9—29; Los Angeles (on Vernon) 11-15-11—37.

### World Cup Skiing

MEN'S DOWNHILL
(At Val Gardena, Italy)
1. Rob Boyd, Canada, 2 minutes, 1.76 seconds.
2. Michael Mair, Italy, 2:01.98.
3. Markus Wasmeier, West Germany, 2:01.97.
4. Franz Heinzer, Switzerland, 2:02.56.
5. Peter Müller, Switzerland, 2:02.57.
6. Pirmin Zurbriggen, Switzerland, 2:02.69.
7. Brian Stemmle, Canada, 2:02.70.
8. Helmuth Hoeflehner, Austria, 2:02.88.
9. Stefan Niederseer, Austria, 2:02.96.
10. Conradin Cathomen, Switzerland; Atle Skaardal, Norway, and Leonard Stock, Austria, 2:03.09.

MEN'S GIANT SLALOM
(At La Villa, Italy)
1. Richard Pramotton, Italy, 2:45.26.
2. Alberto Tomba, Italy, 2:45.49
3. Oswald Tötsch, Italy, 2:45.54
4. Ingemar Stenmark, Sweden, 2:45.60
5. Hans Pieren, Switzerland, 2:45.72
6. Robert Erlacher, Italy, 2:45.90
7. Frank Worndl, West Germany, 2:46.07
8. Hans Enn, Austria, 2:46.33
9. Michael Eder, West Germany and Bernhard Gstrein, Austria, 2:46.78

MEN'S OVERALL STANDINGS
1. Pirmin Zurbriggen, Switzerland, 85 points
2. Markus Wasmeier, West Germany, 78
3. Richard Pramotton, Italy, 73
4. Peter Müller, Switzerland, 62
5. Franz Heinzer, Switzerland, 51
6. Leonard Stock, Austria, 43
7. Robert Erlacher, Italy, 38
8. Ingemar Stenmark, Sweden, 37
9. Michael Mair, Italy, 35
10. Karl Alpiger, Switzerland, 34
11. Marc Girardelli, Luxembourg, 33
12. Oswald Toetsch, Italy, 31
13. Hubert Strolz, Austria, 28
14. Rob Boyd, Canada 25
15. Joel Gaspoz, Switzerland, 23

WOMEN'S DOWNHILL
(At Val d'Isere, France)
1. Laurie Graham, Canada, 1:26.42.
2. Maria Walliser, Switzerland, 1:27.14.
3. Catherine Quittet, France, 1:27.45.
4. Debbie Armstrong, U.S., 1:27.60.
5. Liisa Sarijarvi, Canada, 1:27.74.
6. Tori Pillinger, U.S., 1:27.89.
7. Christl Meier, West Germany, 1:27.90.
8. Regina Mosenlechner, West Germany, 1:27.91.
9. Michaela Gerg, West Germany, 1:28.04.
10. Heidi Zurbriggen, Switzerland, and Marina Kiehl, West Germany, 1:28.09.

WOMEN'S SUPER-GIANT SLALOM
(At Val d'Isere)
1. Maria Walliser, Switzerland, 1:23.46
2. Catherine Quittet, France, 1:23.61
3. Vreni Schneider, Switzerland, 1:23.87
4. Michela Figini, Switzerland, 1:23.93
5. Michaela Gerg, West Germany, 1:24.01
6. Blanca Fernandez-Ochoa, Spain, 1:24.35
7. Anita Wachter, Austria, 1:24.59
8. Sylvia Eder, Austria, 1:24.65
9. Christine Meier, West Germany, and Tamara McKinney, U.S., 1:24.98

WOMEN'S OVERALL STANDINGS
1. Maria Walliser, Switzerland, 85
2. Vreni Schneider, Switzerland, 61
3. Erika Hess, Switzerland, and Catherine Quittet, France, 51
5. Michela Figini, Switzerland, 49
6. Michaela Gerg, West Germany, 47
7. Tamara McKinney, U.S.; Mateja Svet, Yugoslavia, and Laurie Graham, Canada, 36
10. Corinne Schmidhauser, Switzerland, 33
11. Brigitte Oertli, Switzerland, 29
12. Karin Buder, Austria, 27
13. Blanca Fernandez Ochoa, Spain, and Debbie Armstrong, U.S., 26
15. Anita Wachter, Austria, and Heidi Zurbriggen, Switzerland, 21

## *Walliser Edges Quittet in Super-Giant; Pramotton Wins His 2d Giant Slalom*

*United Press International*

VAL D'ISERE, France — Swiss skier Maria Walliser, with her third exceptional run in three days, Sunday won the first women's super-giant slalom race of the season by five one-hundredths of a second over France's Catherine Quittet.

### WORLD CUP SKIING

In La Villa, Italy, Richard Pramotton moved into third place in the men's overall standings as he led an Italian sweep of the top three spots in a World Cup giant slalom.

Pramotton, 22, won his second giant slalom in a row with an aggregate time of 2 minutes, 45.26 seconds. Alberto Tomba finished second in 2:45.49 with Oswald Tötsch third in 2:45.54.

Swedish veteran Ingemar Stenmark, the La Villa winner a year ago, made up a dozen places with the fastest afternoon run to finish fourth in 2:45.60.

Walliser, 23, the defending women's cup overall and downhill champion, completed the 40-gate, 1,602-meter (1,746-yard) run on a fresh blanket of snow in 1:23.46.

Quittet, who also had an excellent weekend at Val d'Isere, posted 1:23.61 with Vreni Schneider of Switzerland third in 1:23.87 and Michela Figini of Switzerland fourth in 1:23.93.

Walliser was second to Figini in a downhill Friday and runner-up to Laurie Graham of Canada in the downhill on the same Oreiller-Killy course on Saturday. Quittet was third Saturday.

It was Walliser's 10th victory in eight cup seasons but her first in a super-giant slalom. It gave her a commanding lead in the overall standings, with 85 points after.

"This weekend, it was a bit of everything. I am very pleased," said Walliser.

About two inches (five centimeters) of wet snow fell overnight and it snowed throughout the race. The competitors said the course was bumpy but visibility was good.

"I had a little trouble at the top but at the bottom I found my line and just let the skis do the work," said Walliser.

Pramotton, a part-time soldier who won the season's first giant slalom two weeks ago, at Sestriere, Italy, now has 73 cup points. Pirmin Zurbriggen of Switzerland, who failed to complete the morning run, leads the standings with 85 points. Markus Wasmeier of West Germany, the World Champion in the discipline who finished 15th Sunday, is second with 78.

"I don't know if we can continue this winning pace for the next four months" of the cup season, Pramotton said as he was mobbed by hundreds of well-wishers.

"But I think we'll do well."

## Boyd and Graham Give Canada Day of Triumph

*The Associated Press*

VAL GARDENA, Italy — Rob Boyd, an unheralded 20-year-old downhiller, Saturday won his first World Cup race on a triumphant day for the Canadian team.

Boyd, a second-group starter, upset the elite of Alpine skiing in the fourth men's downhill race of the season an hour after another Canadian, Laurie Graham, won the women's cup downhill race in Val d'Isere, France.

"It's a great day for Canada," Boyd said after clocking 2 minutes, 1.76 seconds down the icy, 3.6-kilometer (2.2-mile) Saslong track.

That silenced a partisan crowd prematurely celebrating the apparent victory of Michael Mair of Italy.

Mair missed winning his third cup race by 0.14 seconds. Markus Wasmeier of West Germany, a giant slalom specialist who is doing increasingly well in downhill, was third, 0.21 seconds behind Boyd.

Boyd, in his first full World Cup season, had placed between 40th and 49th in the first three downhills this year. His previous best had been sixth in a downhill at Are, Sweden, last season.

"I am the first to be surprised," he conceded. "I knew I was having a good run, but I could not imagine I would be the winner."

The difficult course, dropping 839 meters (2,745 feet), had caused several bad spills during practice. U.S. Olympic downhill champion Bill Johnson tore ligaments in his left knee and was flown home Saturday from Munich for surgery that will end his season. He was one of those who fell at the so-called "camel's bumps," the most dangerous section of the course.

"I sucked all the camel bumps pretty well," said Boyd, who clocked a top speed of 66.8 mph.

A third-group starter, Brian Stemmle, completed a great Canadian showing by taking seventh place, only one-hundredth of a second behind overall cup leader Pirmin Zurbriggen of Switzerland.

In the downhill won by Graham in 1:26.42, four North American skiers finished in the top six.

Maria Walliser of Switzerland was second in 1:27.14, with Catherine Quittet of France third in 1:27.45. Then came Debbie Armstrong of the United States in 1:27.60, Liisa Sarijarvi of Canada in 1:27.74 and Tori Pillinger of the United States in 1:27.89.

Walliser's second consecutive second place moved her atop the overall cup standings, which she won last year. Graham broke a Swiss winning streak of four straight and, having won 36 points in two days, moved into a tie for fifth in the overall standings, although she dropped into a tie for seventh after Sunday's races.

Michela Figini, who won Friday, skied off the course when she mistimed a bump and lost control just after posting the fastest intermediate clocking, 56.37, on the 2,154-meter course that dropped 615 meters. Graham had the next fastest time, 56.41, under overcast skies.

"I asked about the light conditions just before I came down," said Graham, who started from the sixth position. "But once you're in full flight, you just keep attacking."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# A Feminist Answers Back For Marilyn

George Barris

Gloria Steinem (left) and images of Monroe: top left, the aspiring starlet, 1949, and below, 1947; right, the last known picture taken of Marilyn alive.

By Chip Brown
*Washington Post Service*

NEW YORK — Norma Jeane Baker had to work to become Marilyn Monroe, the reigning figment of male desire in the 1950s. She re-sculpted her jaw line and abbreviated the tip of her nose. She practiced smiling with her upper lip drawn down. She learned to speak in a breathy voice and to make bedroom eyes. She wrapped herself in the raiments of the blond goddess — bathrobes, camisoles, fish-nets. Even her pubic hair was bleached. "A very Stradivarius of sex," proclaimed Norman Mailer. Beauty was power. Marriages to Joe DiMaggio and Arthur Miller. Affairs with Frank Sinatra and Yves Montand. Trysts with the Kennedys. She lived on champagne and sleeping pills. A barbiturate overdose sealed her legend.

The years compound her fame; the gimcrack industry churns out mugs, puzzles, china figurines of her in the halter dress on the subway grate. She is, says Gloria Steinem, "the woman who will not die."

Partly because her life has been dissected, raked, mulled, exploited in more than 40 books. Now Steinem has added another, a collection of photographs — the last session, by the Los Angeles photographer George Barris — as well as a 50,000-word feminist perspective of Monroe's life and legend. ("Marilyn" published by Henry Holt.)

"I tried to take away the fantasy of Marilyn and replace it with reality," said Steinem, who met Monroe only once, at the Actor's Studio in New York. Steinem had been invited to sit in on a teaching session, and it seemed to her that the sophisticates of the New York theater were condescending to the Hollywood star.

"Growing up, Marilyn's image had always made me uncomfortable. For a teen-age girl who feels vulnerable enough, it was like an ethnic person seeing an ethnic stereotype — a silly blond woman who allowed herself to be used. She was a victim. She's up there on the screen — in the comedies at least — giggling and being dumb. People are making jokes about how dumb she is, about her body. She had a vulnerability and an innocence. Your first response is to blame the person instead of blaming the role. When you think about it, that was the only role she was allowed to play. It wasn't until after Marilyn's death that we, as women in the '60s and '70s, got around to asking why this role existed."

Steinem's "Marilyn" is a feminist rebuttal to Norman Mailer's conquer-and-transcend biography of the same name. To Mailer, Monroe is the supreme object, possessed of all the grandeur and darkness of America: "In her early career . . . when the sexual immanence of her face came up on the screen like a sweet peach bursting before one's eyes, . . . sex was, yes, ice cream to her. 'Take me,' said her smile. 'I'm easy. I'm happy. I'm an angel of sex, you bet.'"

Steinem's approach is not so mystical: "Marilyn's 'sexual immanence' depended on her child-like quality," she argues. "If you happen to find children sexy, as many men who can't deal with a woman do, then I suppose she had sexual immanence. I talk about Marilyn's work, and her acting. Mailer is really talking about himself. His fantasy is stronger than his curiosity about reality."

The photographer Barris had notes from a four-hour interview with Monroe two months before her death in August 1962, and Steinem supplemented these with a dozen interviews.

She draws Monroe as a prisoner of childhood, compulsively using sex to get "childlike warmth and nurturing." Monroe would often call her lovers "Daddy," she points out.

"Marilyn's last psychiatrist made an effort to be protective, but I question whether any of them could have done her any good," Steinem said. "Marilyn lived in the 1950s. If you agree with Freud that women are biologically passive and naturally seek their fathers, then how can you help a woman who is struggling to overcome her passivity?"

Steinem stresses the limited choices women had then, and underscores Monroe's struggle for independence, her desire to be taken seriously. "Marilyn did a pretty good job of not being a victim with the slender arsenal at her disposal," Steinem said. "She became a model, she became an actress, she supported her mother, she went to acting school, she was always trying to better herself. Respect isn't something you can ask for, but she did her best to earn it. Big Hollywood movie stars didn't read Rilke and Dostoevski. But society teaches if you're a woman you can't be serious, if you're serious you can't be a woman. It's an unacceptable choice to be made, to choose between sex and seriousness.

"If as a baby nobody pays attention to you, you come to think you're invisible. To become visible, what a woman needs to do is become a sex object."

That Monroe took little pleasure in it is a fact many men find hard to accept, Steinem said. "It's hard for men to admit that a sex goddess didn't enjoy sex. It's as if posthumously they're saying, 'It was great for you, too, Marilyn, wasn't it?' But those lovers who talked have said she didn't get pleasure herself. If you only get a sense of yourself through others, you aren't centered on yourself enough to get pleasure. It's part of the desire to believe she was murdered — the same cultural impulse that says if she's a sex goddess she must have enjoyed sex doesn't want to believe she killed herself, doesn't want to accept her unhappiness."

But Steinem has synthesized another image of Marilyn Monroe, one with some remarkable qualities but in many ways just another woman, a waif with an unhappy childhood and few paths to power. Not a metaphor for America. Not the angel of sex. An ordinary woman whose life was circumscribed by reality, a Marilyn Monroe who has almost nothing to do with images, or with the nature of imagination.

## LANGUAGE

# Tell Me No Untruths

By William Safire

WASHINGTON — *Prevaricate* is rooted in the Latin for "to walk crookedly" and is now a highfalutin synonym for the verb "to lie." A more subtle form of misleading can be called *postvarication;* this word has been freshly minted to denote the technique of setting forth an untruth in such a way that the listener will later find that the postvaricator had not actually been lying. This verbal device, frequently used in Washington and other political capitals, includes a signal to the listener that less than the truth is being told.

*No plans* is a good example. If the postvaricator has every intention of making a trip but does not yet want to announce it, he or she seizes on this locution.

Assume that you, the postvaricator, have penciled the trip in on your calendar and have checked out the best restaurants at your destination. Because you have not yet bought the tickets, made the reservations or caused a flurry of cables to fly back and forth, you can truthfully say — with a straight face but a crooked smile playing on your lips — that you have "no plans."

"I have no plan to resign," said Secretary of State George P. Shultz, soon after the revelation of the secret Iran arms trading, which had been pursued against his better judgment. In fact, he had been giving active consideration to resigning, and was careful not to say, "I will not resign" or the more colloquially definitive "Resign? Not me!"

At that moment, just before the announcement of possible criminality in the White House basement, a tug-of-war was going on over control of U.S. arms policy toward Iran. In a verbal straddle, President Reagan announced he had "absolutely *no plans*" to ship more arms to Iran; despite the *absolutely*, this *no-plans* escape hatch left him an opening to ship more arms at some future time. Accomplished postvaricators know that the one locution to avoid is a declarative sentence like "We will ship no more," if that's what you may do one day.

Not until the revelation of the diversion of Iranian arms funds to the contras did *no plans* disappear both from Shultz's statements on resigning and from the president's policy statements on arms shipments. Reagan prevailed on Shultz to announce without equivocation his intent to stay. At that point, the secretary of state abandoned the postvaricative *no plans* and put out the word that he would stay until the end of the administration.

Meanwhile, however, Vice Admiral John M. Poindexter had been announcing from the basement of the White House, "I have no plans to resign." Soon after, in classic postvaricative fashion, he bailed out, as the embarrassed national security adviser must have suspected he was fated to do.

The Department of State has long been the foremost exponent of no-planning, which is in no way connected with planlessness; some of the most adept no-plans statements come from the Policy Planning Staff.

In an area only remotely related to the Iranian no-planning, Richard W. Murphy, assistant secretary of state for Near Eastern (formerly Middle Eastern) and South Asian Affairs, said about the Syrians: "We have *no plans* to consider further sanctions." That was a double postvarication: If sanctions move to the front diplomatic burner, the verb *to consider* offers a second buffer, as we adopt "plans to consider" sanctions — that is, we do not actively consider them.

Students of postvarication are always alert to a refinement in their lingo. When "I have *no plans* to go" changes to "I have no present plans to go," they rush home to pack their bags; and when the official takes the final step, "I have *no immediate plans* to go," experienced reporters hustle across the street to grab a toothbrush and a razor because the official's plane is warming up on the runway.

*New York Times Service*

## *Joan Collins Complains Of a $1 Million Fraud*

*Reuters*

LOS ANGELES — Joan Collins, star of the "Dynasty" television series, has filed a complaint against her estranged husband, Peter Holm, saying he refused to account for $1 million belonging to her, court documents say.

Miss Collins, $3, filed for divorce Dec. 8.

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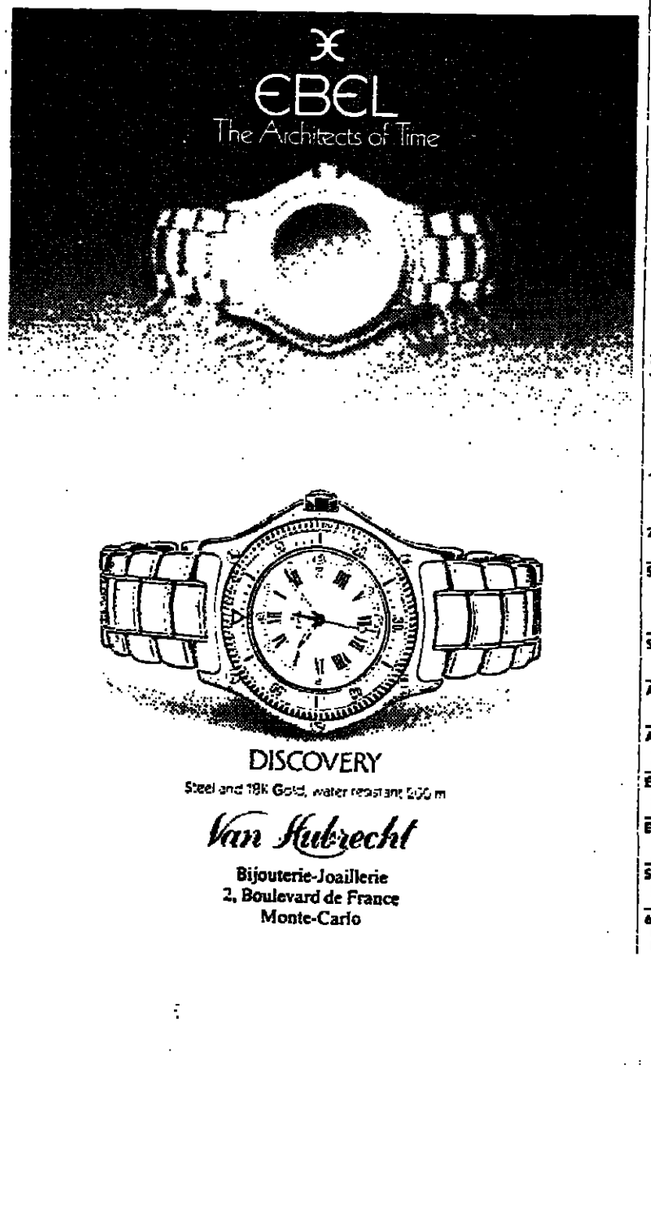


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